

## COUNCIL MEETING

AUGUST 13, 2014

The Council Meeting of the Council of the County of Kaua'i was called to order by Council Chair Jay Furfaro at the Council Chambers, 4396 Rice Street, Suite 201, Lihu'e, Kaua'i, on Wednesday, August 13, 2014 at 9:01 a.m., after which the following members answered the call of the roll:

Honorable Tim Bynum (*excused at 4:25 p.m.*)  
Honorable Mason K. Chock, Sr.  
Honorable Gary L. Hooser (*present at 9:03 a.m.*)  
Honorable Ross Kagawa  
Honorable Mel Rapozo  
Honorable JoAnn A. Yukimura (*present at 9:05 a.m.*)  
Honorable Jay Furfaro

Chair Furfaro: I do know that Mr. Hooser and Ms. Yukimura are in the building, so they should be here shortly. I would like to get an approval for the agenda, please.

### APPROVAL OF AGENDA.

Mr. Chock moved for approval of the agenda as circulated, seconded by Mr. Rapozo, and carried by a vote of 7:0:0 (*Mr. Hooser and Ms. Yukimura were not present*).

Chair Furfaro: Next, may I have the public comment portion read, please?

### PUBLIC COMMENT.

Pursuant to Council Rule 13(e), members of the public shall be allowed a total of eighteen (18) minutes on a first come, first served basis to speak on any agenda item. Each speaker shall be limited to three (3) minutes at the discretion of the Chair to discuss the agenda item and shall not be allowed additional time to speak during the meeting. This rule is designed to accommodate those who cannot be present throughout the meeting to speak when the agenda items are heard. After the conclusion of the eighteen (18) minutes, other members of the public shall be allowed to speak pursuant to Council Rule 12(e).

SCOTT K. SATO, Council Services Review Officer: Chair, we have one (1) registered speaker for the public comment period, and that is Alice Parker on C 2014-222.

Chair Furfaro: Okay. Alice, the floor is yours. Could you repeat the number again for the audience and members?

Mr. Sato: She will be testifying on C 2014-222, which is a Transportation grant approval.

Chair Furfaro: Thank you.

*(Ms. Yukimura was noted as present.)*

There being no objections, the rules were suspended.

ALICE PARKER: Thank you for this early opportunity, Council. My name is Alice Parker and I will be speaking on C 2014-222 for Transportation funds. I want to beg for a new bus stop on Pahe'e Street. We desperately need it. A few years ago, I submitted a request for a bus stop on Pahe'e Street to service patrons' access to medical facilities situated on Pahe'e Street, now increased with Urgent Care at the location formerly known as Dr. Flora's office; a new place for eye care, Dr. Lee; radiology is fairly new; and still in place, the Veteran's Center; and offices in Dynasty Court: Dr. Crane, Hospice, Dr. Jackson, etcetera. Dr. Crane is in another building, but Dr. Jackson is in Dynasty Court. Right now, people taking the bus would have to walk up from Kukui Grove, up the hill. If you need urgent care, there is no way you could walk all the way up there. Two (2) weeks ago, I incurred a severe ocular migraine necessitating a quick Bus No. 70 ride to my doctor at Kaua'i Medical Clinic. The doctor prescribed medication and suggested that I go to Urgent Care if more problems developed. I explained that I could not since: a) could not drive with such limited vision; and b) no bus stops on Pahe'e Street. The doctor said, "Then go to the Emergency Room," which entails a much higher copay and uses medical staff more sophisticated than was needed for my ailment; therefore, please move a new bus stop on Pahe'e Street to the top of the list of prioritized new stops as soon as possible.

I have a postscript on another matter: financial. I see that you have several financial things coming up and I would say to Steve Hunt in the Tax Workshop and others, "Please fully explain the usage of the alternative minimum tax to the public." I know from experience that this can be difficult to get across. I had (inaudible) to simply did not want to comprehend why the Internal Revenue Service (IRS) was assessing him alternative minimum tax. I think a full explanation is needed. Thank you.

Chair Furfaro: Alice, since you identified those medical officers that have access on Pahe'e Street, may we have a copy of your testimony?

Ms. Parker: I did. I had Scott copied it. I hope it is darker than the copy I have.

Chair Furfaro: Okay. Thank you very much. Is there anyone else who would like to testify at this point as it relates to Council Rule 13(e)? If not, let us go to the Minutes, please.

*(Mr. Hooser was noted as present.)*

There being no one else to provide public comment, the meeting was called back to order, and proceeded as follows:

MINUTES of the following meeting of the Council:

June 25, 2014 Council Meeting  
July 9, 2014 Council Meeting

July 9, 2014 Public Hearing re: Resolution No. 2014-36 and Resolution No. 2014-37  
July 16, 2014 Special Council Meeting  
July 23, 2014 Council Meeting  
July 23, 2014 Special Council Meeting  
July 23, 2014 Public Hearing re: Bill No. 2547

Ms. Yukimura moved to approve the Minutes as circulated, seconded by Mr. Chock, and unanimously carried.

Chair Furfaro:

Let us go to the Consent Calendar.

CONSENT CALENDAR:

C 2014-216 Communication (07/07/2014) from the Director of Planning, transmitting the Planning Commission's recommendation to amend Chapter 8, Article 17, Kaua'i County Code 1987, as amended, relating to the Comprehensive Zoning Ordinance, to increase the fee charged by the Planning Department from \$500 to \$750 for non-conforming use certificate fees charged as a part of the County's Transient Vacation Rental (TVR) program. (*Copies of the Planning Department Director's Report and the Minutes of the May 27, 2014 Planning Commission Meeting on file in the County Clerk's Office.*): Mr. Rapozo moved to receive C 2014-216 for the record, seconded by Mr. Kagawa, and unanimously carried.

C 2014-217 Communication (07/08/2014) from the Director of Finance, transmitting for Council information, the Period 11 Financial Reports – Detailed Budget Report, Statement of Revenues (Estimated and Actual), Statement of Expenditures and Encumbrances, and Revenue Report as of May 31, 2014, pursuant to Section 21 of Ordinance No. B-2013-753, relating to the Operating Budget of the County of Kaua'i for Fiscal Year 2013-2014. (*Copies of the Period 11 Financial Reports as of May 31, 2014 on file in the County Clerk's Office.*): Mr. Rapozo moved to receive C 2014-217 for the record, seconded by Mr. Kagawa, and unanimously carried.

C 2014-218 Communication (07/16/2014) from the Director of Finance, transmitting for Council information, the Period 12 Financial Reports – Detailed Budget Report, Statement of Revenues (Estimated and Actual), Statement of Expenditures and Encumbrances, and Revenue Report as of June 30, 2014, pursuant to Section 21 of Ordinance No. B-2013-753, relating to the Operating Budget of the County of Kaua'i for Fiscal Year 2013-2014. (*Copies of the Period 12 Financial Reports as of June 30, 2014 on file in the County Clerk's Office.*): Mr. Rapozo moved to receive C 2014-218 for the record, seconded by Mr. Kagawa, and unanimously carried.

C 2014-219 Communication (07/18/2014) from the County Engineer, transmitting for Council consideration, proposed amendments to Section 21 of the Kaua'i County Code 1987, as amended, Relating To Integrated Solid Waste Management To Establish Variable Rates For The Collection Of Residential And Commercial Refuse, to establish variable rates for refuse collection service, also known as the "Pay As You Throw (PAYT)" system, as recommended in the Kaua'i County PAYT Implementation Plan prepared by Econservation Institute through a grant from the Environmental Protection Agency (EPA), which addresses Phase 1 of

the plan: Mr. Rapozo moved to receive C 2014-219 for the record, seconded by Mr. Kagawa, and unanimously carried.

Chair Furfaro:

We are going to go into Communications.

COMMUNICATIONS:

C 2014-220 Communication (07/18/2014) from Councilmember Hooser, requesting the presence of the Acting Manager and Chief Engineer from the Department of Water, to provide the Council with an update on the Department's upcoming initiatives as it relates to the Water Plan 2020, upcoming budgetary needs, other financial obligations as a semiautonomous entity of the County of Kaua'i, the status of the Kahili Horizontal Directionally Drilled Well project, and the quarterly reports on the financial status and activities of management and operations as required by the Charter of the County of Kaua'i: Mr. Rapozo moved to receive C 2014-220 for the record, seconded by Mr. Chock.

Chair Furfaro: Members, I circulated a memo indicating that I would have to leave in twenty (20) minutes, but I would like to make sure that Mr. Hooser's communication also gives us an opportunity to have some kind of a reconciliation of the bond money that was underwritten by the Council. Mr. Hooser, since I am honoring your request to go first, would you like to give us a little overview before I call the two (2) Managers over? You have the floor.

Mr. Hooser: Thank you. I want to thank you for putting this on the agenda and thank the Department of Water (DOW). I know everybody is busy and I know they do not likely look forward to coming before the Council and spending their morning on camera because they have lots of other work to do and lots of important projects. I appreciate them taking the time, I sincerely do. As a Councilmember, we do the budgets and deal with all of the various departments. Many people ask me about the Department of Water— the thing in Kalāheo where they had big issues with the water and the brown water a couple of days ago. When there are issues, people call me and I say, "It is an autonomous department. We do not really have much to say or to do about it." They say, "Well, they are County employees, are they not?" So there are a lot of questions about the water, so I thought it would be interesting and important for the Council, as well as the community, to get an overview of the operations of the Department of Water. We go through every other budget in the County, except the Department of Water's budget, but yet we sign our names to their borrowing capacity. I think it is important to have a discussion at least once a year, if not more often, with the Department of Water. I understand that we do not have jurisdiction over them, but I also understand that they are County employees. We have legal issues that may come before us that we have to settle with the Department of Water. We do have some type of responsibility as a Council dealing with it. I am not quite sure where that line is sometimes, but that is the purpose of today's invitation, Chair. We can have them come forward, so that they could do their presentation.

Chair Furfaro: Very good. I do want to point out that as in the past with Mr. Craddick, especially pre-budget, we usually do have our annual visit from the Department of Water. Given my earlier request, we do not need it today, but I would like to get reconciliation on our bond moneys that we underwrote. In the meantime, I would like to welcome the Acting Manager and his assistant to come up. The way we will start our meeting is by first introducing yourselves and your position in the Department.

There being no objections, the rules were suspended.

KIRK SAIKI, Acting Manager and Chief Engineer: Good morning, Council. I am the Acting Manager and Chief Engineer, Kirk Saiki. I brought with me Dustin Moises, Head of our Construction Management Division; Keith Aoki, Head of our Engineering Design Division; and Marites Yano, our Controller. This morning, what we wanted to do was address the agenda items and basically do a Water Plan 2020 update and overview of our budget for 2014-2015, the status of Kahili Well, and the status of the quarterly reports.

DUSTIN MOISES, Head of Construction Management: Good morning. We did a presentation similar to this about two (2) years ago, but being that there is several new Councilmembers, I thought I would do a brief overview of Water Plan 2020. Basically, Water Plan 2020 is our Capital Improvement Projects (CIP) infrastructure foundation. It was basically initiated in the early 2000s and approved by the Board of Water in 2001. This is our roadmap for all infrastructures that we do. It addresses deteriorating and aging water infrastructure and also examines the financial needs of our water system over a twenty (20) year horizon. We are actually coming to the end of that twenty (20) year horizon in a few years. Basically, taking the initial Water Plan 2020 in 2001, there were several phases: Phase I had a timeline of 2002 to 2006, which covered approximately eighty (80) projects. The next phase had another thirty (30) projects, and then the final phase had ninety (90) projects. It provided future goals, such as ensuring reliable water supply, caring for our aging water system, looking at water quality, improving our customer service, and at the same time, meeting our changing Drinking Water Regulations, which changes with each year. Another thing to note is that the plan was actually based on the Kaua'i General Plan in 2000, so as the General Plan is updated, we normally follow that behind with our Water Plan 2020. Like I said earlier, "increasing service." "Service" is defined as "source storage transmission and fire protection, replace and repair our aging systems, and provide long-term financial security."

Chair Furfaro: Mr. Moises, may I ask if we could go back to one slide. That is the only question that I have for right now. I want to know in your presentation of the Water Plan 2020, if the date and schedule that you prepared for us over here is what the plan was or is that actually what was completed? For example, Phase II, 2007 to 2011— when I look at thirty (30) projects, is that thirty (30) completed projects or is that thirty (30) projects that were identified in the plan?

Mr. Moises: Identified in the plan.

Chair Furfaro: So that is not completed in past tense?

Mr. Moises: If you would let me finish the presentation, I actually answer that question in a later slide.

Chair Furfaro: Well, I think since it is my meeting, I will yield to your request, but I think it was a *bona fide* question if you did not put the material up, but explained. Is it approximately complete or approximately not completed in the plan? That is my question.

Mr. Moises: Approximate plan.

Chair Furfaro:

Okay. Now I will give you back the floor.

Mr. Moises: Okay. We are on the process. The process identified the needed improvements; prioritized improvements by system, which was condition assessment; Level of Service (LOS)—“LOS” is “Level of Service”; and then public health and safety. So needed improvements was based on the Planning data and water demand forecasting, which was the Kauaʻi General Plan in 2000, and then level of service was established criteria for evaluating and planning sources of supply, fire protection, storage, transmission, distribution, pump stations, treatment, and system redundancy. Based on that, they developed the Islandwide Improvement Program and that program is evaluated and revised annually by DOW staff. Each year, we review where our improvements are needed and sometimes we add projects on. Sometimes we delete projects all based on what happened over the last ten (10) years. This plan was actually a great plan that then Ernie Lau, our Manager, implemented with the Board. It was fifteen (15) years ago, so like any plan, you have to address them each year and that is what we do.

Implementation— there are three (3) phases for the following, like I mentioned earlier, but one definition that I think is good to go over with you guys is that in many government construction and design projects, they call “CIP” basically all of their work that they do, but at the Department of Water, “CIP” is basically system expansion. A lot of you might be aware of “Facility Reserve Charge (FRC)”. “FRC,” our “Facility Reserve Charge”— that fund basically is used to fund expansion; new customers. FRC Impact Fee is basically synonymous. Our “Capital Rehabilitation Program (CRP)” is renovation of any existing facilities, whether it would be a pipeline, pump station, or tank. That would be rehabilitation. “Capital Replacement Program (CRPL)” is system replacement, which tends to replacing tanks, pipelines, and so forth. I just wanted to go over that before we keep going on.

Implementation, like I said: great vision, great plan— now what? Between 2001 and 2014, the Department of Water basically took action and started implementing Water Plan 2020. Between the years of 2007 and 2012, there is an unprecedented volume of design and construction that we did, and in doing so, there are years where we basically did between thirty-six million dollars (\$36,000,000) and forty-three million dollars (\$43,000,000) annually— well, managed between thirty-six million dollars (\$36,000,000) and forty-three million dollars (\$43,000,000) annually and we have been completing between ten million dollars (\$10,000,000) and twenty million dollars (\$20,000,000) over the last seven (7) years. The plan got implemented in 2001. I am sure a lot of you are aware that planning and permitting can take years. On the coming slides, you will see the progression that we did after finally getting designs completed. To allude to Chair Furfaro’s question earlier, these are the projects that we actually finished over the last fourteen (14) years, and then you see between 2008 and 2014, that is really when a lot of the projects actually saw completion. Hopefully you can see the asterisks on the bottom. If you look at the second column, “Number of Construction Contracts Completed” and “Number of Design Contracts Completed,” you see forty-nine (49) and fifty (50). Well, that is forty-nine (49) and fifty (50) actual contracts, but some contracts had multiple Water Plan 2020 project numbers in there. I just wanted to point that out. We spent about ninety-one million dollars (\$91,000,000) in construction and ten million dollars (\$10,000,000) in design, which is consistent. About ten percent (10%) of construction is your normal design fee. This is actually what we spent, not what we encumbered. These are dollars that actually got paid out to design consultants and contractors. This is a just a simple chart showing the

information that I had on the previous table, graphically. You can see how in the first five (5) years, we are basically doing a lot of planning and permitting, and then you start seeing everything gradually increase. Then you see that last six (6) years in where we spent a lot of the money. This is just design in general. You can see that the designs were completed between 2008 and 2012. We started getting work out into construction, and then on this slide, you see a two (2) year gap, which is we started between 2006 and 2012 basically finishing designs, and you see in 2008 to 2014 where construction was completed. This is the total moneys spent annually. Basically, the blue bar and red bar is combined into the green bar and you see the total design of construction spent. Over the course of 2000 and 2014, that is the one hundred one million dollars (\$101,000,000) that was represented in the earlier chart. You can see that in 2007 and 2008, the Department of Water, the Board, and the Manager at the time recognized that we have to get back on the Water Plan 2020 train, and then we started really concentrating in that fiscal year to finish designs. The last six (6) years has been, I guess, the "fruit of the labor."

There are some ongoing projects. This is out in Hanalei at Maka Ridge. We put in a new pipeline and rehabilitated the tank. Recently, just in the last couple of months, we finished the Wainiha Booster Pump and the Hā'ena Tank Renovation. We also completed the Waipouli/Oloheua Road and Wailua Houselots Main Replacement. For the most part, probably sixty percent (60%) of the work that we do is related to pipeline replacement, fixing areas where we see leaks, upgrading our systems where it is needed to prevent leaks, and then after that, where needed and deemed necessary, we look at source and storage. These are the upcoming Water Plan 2020 construction projects that we foresee going out to construction advertising over the next two (2) fiscal years. All of these projects right now are nearing final design. We are hoping about thirty one million five hundred thousand dollars (\$31,500,000) worth of projects will go out to construction.

Chair Furfaro: I am going to have a question right now and maybe somebody else can answer it. With the successes you are having, and if there has been a deviation from the original plan that is using bond money, who is reporting those bond money changes to our Finance Chair or our Bond Counsel? How is that done by the Department of Water?

Mr. Moises: Can you clarify your question on "deviation?"

Chair Furfaro: For example, you said there may have been some changes in the CIP plans. When we originally underwrote the amount we are borrowing, it was tied to a specific plan; incrementally, certain years that are in the 2020 Plan. If there has been major deviations from that plan, and the money that was borrowed or underwritten was used for a different project, how is that communicated to Finance and to the Bond Counsel?

Mr. Moises: Just to give some background, the initial bond list was based on projects within Water Plan 2020.

Chair Furfaro: Right.

Mr. Moises: In March of 2010, we provided the initial bond list. Our Board approved the list, and then through a Bond Resolution, that Resolution was forwarded to the Bond Counsel. Each year when we reevaluate projects based on need, and then basically the progression of design, we added a few projects just so that we could have it in the queue on the list, so that if it went to

construction, it was ready to go. Subsequently every time we do that, we did another Bond Resolution. There are several... three (3) or four (4) Resolutions at the Board that is approved and each Resolution goes to the Bond Counsel after that.

Chair Furfaro: Okay. So you feel that you have communicated well through the Board to the Bond Counsel on any changes? Do I see that as an acknowledgment? Can I hear a “yes?”

Mr. Moises: Yes.

Chair Furfaro: Thank you very much.

Mr. Moises: So, there were not any major deviations; just adding projects so that you can get on the list.

Chair Furfaro: Thank you. You have answered my question.

Mr. Moises: Okay. Feel free to stop me if you have questions as I go along. These are actual Water Plan 2020 design projects that are proposed for this upcoming Fiscal Year. Right now, we are looking at doing about eleven (11) new designs. As you can see, it is from Waimea to Hanalei. We are always trying to improve all of the systems throughout the island. Actually, there is no design contract right now. It is just something that we are looking at.

Chair Furfaro: Okay. Mr. Bynum and Mr. Hooser have questions, but I am stepping out as my excuse note said. I am turning the meeting over to Mr. Chock. Mr. Chock, you have two (2) members that want to be recognized.

Chair Furfaro, the presiding officer, relinquished Chairmanship to Mr. Chock.

*(Chair Furfaro was noted as excused at 9:29 a.m.)*

Mr. Chock: Thank you, Sir. Councilmember Hooser.

Mr. Hooser: “Jelly Factory Booster Pump”—it begs the question, “What is that?” Is that a County pump? Is that for a private facility? Is that just the name?

Mr. Moises: That is just the name. Anecdotally, we use names by landmarks, and in Kalāheo, the jelly factory is the nearest site. That is all it is.

Mr. Hooser: Okay. I noticed in the previous slide, you have “Grove Farm Tanks 1 and 2.” Is it likewise that those are County tanks, but they are just named “Grove Farm?”

Mr. Moises: Yes. It is all of our tanks. I think it is tied back to our Grove Farm plantation days where it was called Grove Farm tanks, so rather than rename them—because we have five (5) names for several single areas. That is just the name.



Mr. Hooser: Okay. Thank you.

Mr. Bynum: Thank you for the presentation so far. I appreciate it. I have tried to stay up on the status of the 2020 Plan. I want go back before we move to the financial slides that are coming up to the Capital Improvement Program and the FRC. Can you give that brief explanation of what is the "FRC" and what it is regarding?

Mr. Moises: Okay. Do you guys want me to go back on this? I will go back.

Mr. Bynum: It is on page number 6. Thank you for numbering the slides.

Mr. Moises: That is way in the beginning.

Mr. Bynum: I am sorry. I did not mean to make you go back.

Mr. Moises: This one?

Mr. Bynum: Yes.

Mr. Moises: FRC is our impact fee, "Facility Reserve Charge." A lot of you might be aware that we have been doing a study over the last several years to evaluate the need for increasing that fee, and that would be our impact fee.

Mr. Bynum: That is something that I have really tried to pay attention to and I want to know the current status. That decision still has not been made by the Board? Is it still being studied?

Mr. Saiki: It has not been made. We are working with our Finance Committee, and then it goes to the Rules Committee, but we are looking at how to implement that and the rule changes that are associated with it.

Mr. Bynum: Without taking too much time today because your presentation is more comprehensive, but if I wanted to understand the history of that charge— I believe the Water Board, over the years, has had consultants over several times that have made recommendations. Did this decision at one time not be made at the County Council about facilities? Is this the charge that people pay to hook up to the system?

Mr. Saiki: Yes.

Mr. Bynum: Okay. Has that decision always been a Water Board decision or has it been a Council decision in the past?

Mr. Saiki: No, it is a Water Board decision.

Mr. Bynum: Okay. I would like to understand the history of that charge. This study has been ongoing for several years, right?

Mr. Saiki: Yes.

Mr. Bynum: I would just like more follow-up information about that, if that is okay? I do not want to take time on the floor right now. Is that appropriate?

Mr. Saiki: I beg your pardon?

Mr. Bynum: I would just like some follow-up information about that issue, but I do not want to take additional time now.

Mr. Saiki: Yes. We can send you some correspondence.

Mr. Bynum: Thank you.

Mr. Chock: Mr. Hooser, do you have a follow-up on that?

Mr. Hooser: Yes. Because a lot of this is about educating the Council and public; to be clear, all of these charges that we are talking about are done without Council approval. Is that correct?

Mr. Saiki: Correct.

Mr. Hooser: So when people say "how come you raised my water bill," the Council can honestly say we did not raise the water bill. Is that made by the Water Commission?

Mr. Saiki: The Board of Water Supply.

Mr. Hooser: Okay. Going back to the slide number 6—you do not have to flip back necessarily. The CIP projects are bond funded, but those bonds are paid for the Facility Reserve Charge. Is that how it works?

Mr. Moises: Yes and no. You can answer that question.

MARITES YANO, Department of Water Controller: I can share that in my presentation.

Mr. Hooser: Okay. Thank you.

Mr. Moises: Basically, all projects are funded by various sources.

Mr. Hooser: Okay. Thank you.

Mr. Chock: Thank you.

Mr. Moises: Do you have any more questions on the design slide? If not, I will move on.

Ms. Yukimura: What is the Kapaia Surface Water Treatment Plant (SWTP) Expansion?

Mr. Moises: That is our current Surface Water Treatment Plant up in Kapaia.

Ms. Yukimura: What is the project?

Mr. Moises: To expand the current plant.

Ms. Yukimura: What?

Mr. Moises: Looking at expanding the current plant.

Mr. Saiki: To expand the existing treatment plant to see if it is feasible.

Ms. Yukimura: Would that not be necessary if you did the Horizontal Drilling Project that had been proposed earlier?

Mr. Saiki: The way the Horizontal Drilling Project was setup was that it was going to replace all of the other sources that we have in the Līhu'e/Kapa'a area.

Ms. Yukimura: Including your water plant?

Mr. Saiki: Yes.

Ms. Yukimura: So you would not need to expand it then?

Mr. Saiki: That would be determined by how much water we could yield out of that well.

Ms. Yukimura: Of course. But it was an alternative that you could have looked at?

Mr. Saiki: Yes.

Ms. Yukimura: Thank you.

Mr. Chock: I know there is going to be a lot of questions and I know how our meetings go, so I want to make sure that we get through the presentation, not that they are not important. We will get to them. If they are brief clarification questions, I would love to have those. If we have more in-depth, unfolding questions, can we please reserve those to the end of the presentation? Thank you.

Mr. Moises: This is the slide that I alluded to earlier when Chair Furfaro asked a question. Basically, to-date, we have completed sixty-seven (67) of the projects. Three (3) of the projects are in active construction and thirty-two (32) projects are in active design with one (1) being in construction procurement right now. In essence, we completed or initiated one hundred three (103) projects. If you were to just quantify the amount of projects by extrapolating each year based on that initial phases that I had from 2002 to 2006, and then in 2007 and beyond, you would have one hundred twenty-five (125) total projects. Based on that, we initiated or completed eighty percent (80%) of all of our projects. One thing that I wanted to point out on the Department's side is eighty percent (80%)—I think that is pretty good. I am not here to sing our praises, but we have been, just like everybody else in the State and the County, having difficulty in

finding engineers. So one hundred three (103) projects based with four (4) Engineers at any given time, and for the most part, two (2) Engineers are dedicated to the Water Plan 2020 design infrastructure, so I think the Department staff did real well. I just wanted to commend the staff for what everybody did.

The second thing is if you took projects where we partnered up with private developers to minimize our costs when they did a source or a tank, and then upgraded for our needs, there are another twelve (12) projects that we also did in partnership, and then some that were deleted just because different entities did the work. If you add those in, we completed about ninety-two percent (92%) of what we did, so I think we have been on track with staying on the Water Plan 2020, even though we changed some of the phases. To me, I think the biggest thing is not what you initiate, but what you complete. Throughout the eighty percent (80%) and throughout the ninety-two percent (92%), and if you simply look at what we did and what we completed, we still completed seventy-five percent (75%) of that one hundred twenty-five (125) projects. To answer Chair Furfaro's question, I think we have been keeping up with the phasing. I think as needs progress and needs change—then we have been basically changing projects that might have been in Phase III to Phase I, and Phase II to Phase I, and Phase II to Phase III. I said projects remaining include projects added since inception and we actually added forty-two (42) projects since 2001. That is why if you look at the first slide, it said two hundred nine (209) projects. If you deduct one hundred three (103), it does not add up to one hundred nineteen (119), twenty-six (26), and three (3), but that is because two hundred nine (209) became two hundred fifty-two (252).

So what is next? We are looking at improving our system, and like I said earlier, we are getting to the tail end of this initial Water Plan 2020, so the next step is Water Plan 2040 and beyond, incorporate all of the studies, documents available, or conduct new studies to supplement Water Plan 2040. As I said earlier, the first step would be the General Plan Update 2015-2016. I think they should have that done. Sea level rise—it is in progress by the University of Hawai'i (UH) Sea Grant. We have already started designing some of our coastal water lines with materials that would work if the sea level were to rise. I think once they finalize that study, we probably would incorporate that into how we site our facilities. Precipitation study—this is actually something that we are doing with UH and is currently ongoing, but they are doing a rainfall study for Kaua'i, so whatever the outcome is of that, then obviously that is going to be implemented in the Water Plan. Water Conservation; Watershed Protection; and the Water Use and Development Plan, which is in progress right now—I think Councilmember Yukimura and even Council Chair Furfaro came to the conference that we had last week, and they went over the Water Use and Development Plan. We have the Wellhead Protection, current drinking water regulations, and then reassessing the Department of Water needs and any other relevant documents that happened between now and then. I anticipate that the Department of Water will probably start Water Plan 2040 in 2017 or so, so that it is completed by the year 2020. Other than that, I think that is my last slide, so I will move on to the fiscal side.

Ms. Yano: Good morning, Honorable Councilmembers.

Mr. Chock: Can you introduce yourself?

Ms. Yano: My name is Marites Yano, Department of Water Controller. My presentation is a condensed summary of the Operating and Capital Budget for the Department of Water. The Operating Budget was approved

in June 2014. Our projected revenues was projected at thirty-three million seven hundred thousand dollars (\$33,700,000). This consists of water sales, which is our main source of revenue at twenty-nine million three hundred thousand dollars (\$29,300,000). Four million three hundred thousand dollars (\$4,300,000) comes from grants, investment income, and miscellaneous revenues. Our Operating Expense Budget was approved at twenty-six million six hundred thousand dollars (\$26,600,000). Six million dollars (\$6,000,000) of that is for salaries and wages. Debt Service Interest Payment at four million dollars (\$4,000,000) and Other Operating Expenses is sixteen million four hundred thousand dollars (\$16,400,000). Debt Principal Payment is four million four hundred thousand dollars (\$4,400,000). This is a pie chart of our Operating Revenues. You can see in here twenty-nine million three hundred thousand dollars (\$29,300,000), which is coming from water sales, which is equivalent to about eighty-seven percent (87%) of our total projected revenues. We projected two million dollars (\$2,000,000) from the Public Fire Protection, Federal and State grants of two million two hundred thousand dollars (\$2,200,000), and miscellaneous receipts is about one hundred thousand dollars (\$100,000).

Our Operating Expenses is broken down as follows: salaries, six million dollars one hundred thousand dollars (\$6,100,000); Employee Benefits, including Other Post-Employment Benefits, two million eight hundred thousand dollars (\$2,800,000); General and Professional Services, three million three hundred thousand dollars (\$3,300,000); and two million dollars (\$2,000,000) for the County Service Charge. This is a contra account that we used for the fire hydrant revenue that we projected. Utilities are three million seven hundred thousand dollars (\$3,700,000); repairs, maintenance, and supplies are four million six hundred thousand dollars (\$4,600,000); and our total debt principle and interest payment at eight million five hundred thousand dollars (\$8,500,000).

This is an overview of our Capital Outlay Budget. This does not include one million eight hundred thousand dollars (\$1,800,000) of capital purchases, so this is purely capital projects. Our ongoing is three million six hundred thousand dollars (\$3,600,000). This is a net rollover from the prior Fiscal Year. The proposed capital outlays are thirty-four million two hundred thousand dollars (\$34,200,000).

In this pie chart, you would see the difference sources of our Capital Outlay Projects, and this is to answer Councilmember Hooser's question that he posed earlier. This is where our capital projects are funded from. We anticipate four million dollars (\$4,000,000) from the State Revolving Fund. This includes a two million dollar (\$2,000,000) grant, which is loan forgiveness, and the two million dollars (\$2,000,000) is in the form of a loan. Bonds is projected at eighteen million two hundred thousand dollars (\$18,200,000). This is the reminder of our Build America Bond (BAB) Fund. We have twenty-one million five hundred thousand dollars (\$21,500,000) unexpended in Build America. Our projected capital projects is eighteen million two hundred thousand dollars (\$18,200,000) for 2014 and 2015. FRC is projected at four million three hundred thousand dollars (\$4,300,000). The Water Utility Fund, which includes one million eight hundred thousand dollars (\$1,800,000) in capital purchases, is nine million five hundred thousand dollars (\$9,500,000). This is the net rollover from the prior Fiscal Year. One million eight hundred thousand dollars (\$1,800,000) from the Bond Fund, Water Utility is one million six hundred thousand dollars (\$1,600,000), and two hundred thousand dollars (\$200,000) from FRC.

Mr. Chock:  
question on your presentation.

Councilmember Yukimura has a follow-up

Ms. Yukimura:  
Fund— what is that exactly?

On slide number 24, your Water Utility

Ms. Yano:  
Fund?

Your question is what is the Water Utility

Ms. Yukimura:

Yes.

Ms. Yano:

This is our General Fund account.

Ms. Yukimura:  
rates?

Okay. So that is what you get from water

Ms. Yano:

Yes.

Ms. Yukimura:

Okay. Thank you.

Ms. Yano:  
the budget.

I think that concludes my presentation on

Mr. Chock:

You have one more question.

Mr. Hooser: I was waiting until you were done. I noticed that it looked like there were about four million dollars (\$4,000,000) in principle and four million dollars (\$4,000,000) in interest? Is that correct?

Ms. Yano:

Yes, that is correct.

Mr. Hooser: It just seems like there is a lot of interest. Can you explain that? I guess tied in with that question is the outstanding debt that is being paid on and some of the bond money is not yet utilized, right?

Ms. Yano:

Yes.

Mr. Hooser: So the eighteen million two hundred thousand dollars (\$18,200,000); is that bonds that we have yet to utilize? How much debt are we paying on the four million dollars (\$4,000,000) interest? Debt Service interest is four million dollars (\$4,000,000) and principle is four million dollars (\$4,000,000). It just seems like the 50/50 ratio does not seem to fit.

Ms. Yano: This is our total Debt Service payment for Fiscal Year 2014-2015. Our total debt as of this date is approximately ninety-seven million dollars (\$97,000,000). It is a combination of the Build America Bond Fund of sixty million dollars (\$60,000,000) and the rest is from the State Revolving Fund.

Mr. Hooser: Just to restate, there is approximately ninety-seven million dollars (\$97,000,000) in existing capital debt.

Ms. Yano:

Yes, Sir.

Mr. Hooser: So that debt is being serviced by roughly eight million five hundred thousand dollars (\$8,500,000) a year and half of that goes to principle and half to interest?

Ms. Yano: Correct. The reason why the principle seems high, four million four hundred thousand dollars (\$4,400,000), is because we are paying about two million dollars (\$2,000,000) in principle payment for the Build America Bond Fund.

Mr. Hooser: Okay. I am assuming these are very low interest bonds.

Ms. Yano: Average is five and a half percent (5.5%).

Mr. Hooser: Actually, it is not as low as I would expect.

Ms. Yano: That is the old one, but we have a subsidy that is coming from the Federal government that is not taken into account that will add the subsidy that we will receive.

Mr. Hooser: What would the new bonds be at? What would be the bond rate?

Mr. Moises: I can answer that.

Mr. Hooser: The eighteen million dollars (\$18,000,000)...

Mr. Moises: The BAB is actually fixed... I think what the rate is on the bond. As far as the bond, that is not something that is changing, but as far as SRF—that is the Revolving Fund. That has gone down and depending on the amount that you borrowed, it could be anywhere from zero percent (0%) to two percent (2%). If you borrow an excess of eight million dollars (\$8,000,000)... if you can package your projects to get eight million dollars (\$8,000,000), then they take off the interest and the administrative fee. If you borrow between zero (0) and four million dollars (\$4,000,000), then you pay upwards of two percent (2%), which is still ideal compared to even what the BAB is.

Mr. Hooser: Right. I guess that begs the question of if we are paying about five percent (5%) on such a large amount, is there a possibility that we could refinance those bonds to get it two percent (2%)? It seems like the borrowing capacity of the County would allow a much better rate. Has the Board considered that?

Ms. Yano: What has not been factored in here is that we are receiving Build America Bond subsidy to reduce the interest rate that we have been paying to the Build America Bond Fund.

Mr. Hooser: So is that a Federal subsidy?

Ms. Yano: Yes, it is a Federal subsidy.

Mr. Hooser: So the Federal government is paying a portion of that?

Ms. Yano: Correct.

Mr. Hooser: It still seems kind of interesting. Thank you.

Ms. Yano: Thank you.

KEITH AOKI, Head of the Engineering Division: My name is Keith Aoki. I am the Division Head of the Engineering Division. As for the status of the Kahili Directional Drilled Horizontal Well, the project was suspended, effective March 27, 2014 and the contract was terminated. That is it.

Mr. Chock: Is there anything else in terms of the presentation? We are going to open up for questions in a minute.

Mr. Saiki: Just to cover the last item about the quarterly reports— back in June 2010, that was the last quarterly report that we sent in and we started posting all of the financials that we provided to our Board online. Last month, we were requested to start submitting them again, so we will start submitting our quarterly reports.

Mr. Chock: Okay. Thank you for the presentation. I learned a lot as well in just what you had to share. It looks like I have a lot more to learn. We are going to open it up for questions here. I know Councilmember Hooser has one.

Mr. Hooser: I want to thank you. I know it has been a couple of months working on here and we postponed it a few times. I appreciate you coming. The quarterly report— I have been spending a lot of time reading the Charter and I noticed that it said quarterly reports, and that is why I asked the question, “How come we have not gotten them?” I understand the answer and I appreciate that you will submit them in the future. I am sure the data is already there, it is just that it is an administrative function. I appreciate that.

I had two (2) questions. Since you are doing the overview and you do not come here that often, I think it would be important for you to touch at least briefly on the Kalāheo water situation. That was a big issue. I am sure it was a lot of stress for the Department and the community. Can you touch briefly on how and why that happened and what the status is of fixing it or if it is already fixed? I appreciate it. I think the community would wonder why the question was not asked if we did not at least ask the question here today.

Mr. Saiki: Basically, we had our primary well pump break and while we were procuring the contract for the second to repair that pump, the second pump broke. That rarely happens that your backup breaks. The status right now is that we have one pump repaired and we are repairing the second pump, and it should be done shortly.

Mr. Hooser: Does the community have adequate water supply now?

Mr. Saiki: Yes.

Mr. Hooser: Thank you. Just to restate, you have two (2) pumps: a backup and a primary pump.



Mr. Saiki: Yes.

Mr. Hooser: The primary pump went down and the backup pump then went down also.

Mr. Saiki: Yes.

Mr. Hooser: That was unanticipated, obviously.

Mr. Saiki: Yes.

Mr. Hooser: In the future moving forward, do we have a second backup that can be moved around the County, possibly, to deal with these issues?

Mr. Saiki: Part of those jelly factory upgrades allows us to take water from Lāwaʻi to Kalāheo. It does not feed high up on the *mauka* side, but at least near the highway and down towards the *makai* side, we can feed. We are also looking at having another reservoir and well.

Ms. Yukimura: Another what?

Mr. Saiki: Reservoir and well, Yamada Tank, up in the *mauka* side.

Mr. Hooser: In essence, you are looking at beefing up the system? That is what it sounds like in layman's terms for that area.

Mr. Saiki: Yes.

Mr. Hooser: I am assuming that as a result of that incident, you looked at other communities around to see whether their backups and similar things did not happen also?

Mr. Saiki: Yes.

Mr. Hooser: Okay. Great. Thank you very much.

Mr. Chock: I am just being reminded about the agenda item. Unfortunately, it does not talk about Kalāheo, but that does not mean that we should not try to get some clarity around it.

Mr. Hooser: Chair, this is about the plan. This is the overview of our water systems. I would defer to the Chair, but I object to any suggest that we cannot talk about what is going on in our community in general terms, and that is all I am doing right here. Thank you.

Mr. Chock: I think what we want to do with what has been requested or asked by Councilmember Hooser. I know there is some follow-up, so if we could quickly get to that. If there is more that needs to be questioned or asked, we can ask for more time in the future or for something in writing, so we can get deeper into it. Councilmember Yukimura, you can ask your question.

Ms. Yukimura: I had a follow-up question about Kalāheo and I believe it ties into the operating policies, so I want to ask that and a few other questions. Actually before I go to Kalāheo, first I want to thank you, Kirk, for coming and also for bringing your team because you have quite a team. Thank you, Dustin for outlining the accomplishments because it is really quite extraordinary: eighty percent (80%) completion and adherence to a long-range plan. That is almost unheard of in government, so really a remarkable, stellar performance. I want to thank you for that. Have you made this presentation to the Water Board?

Mr. Moises: Not this specific one, but they get us every month, so they kind of get the buildup.

Ms. Yukimura: Okay. It is just that you have new Water Board members and this history has been almost what... twenty (20) years? It seems to me that it would be valuable for them to see this really big overall picture, so that they know where they have to lead for the next twenty (20) years. Back to Kalāheo, because I have heard people complain about the FRC and about the high cost of the water system. Part of it, as I understand it, is the one hundred percent (100%) backup that is your policy. I wanted to make sure I understood that correctly. Is it not true that you try to have one hundred percent (100%) backup?

Mr. Saiki: It is not truly a one hundred percent (100%) backup. We need to be able to back up the largest pump that we have in the system. If we had, say, five (5) or three (3) one hundred (100) gallons per minute (GPM) pumps and one (1) two hundred (200) GPM pumps, we need a second two hundred (200) GPM pumps or we put the two hundred (200) GPM pump as standby for the three (3).

Ms. Yukimura: My understanding was that you had— this applies to Kalāheo, but it applies to anywhere else where your main system goes down and in order to provide this necessary commodity for life, you have a backup.

Mr. Saiki: Yes.

Ms. Yukimura: But then in Kalāheo, your backup was down as well.

Mr. Saiki: Yes, that failed.

Ms. Yukimura: So I take it that you folks have done an analysis about how to prevent such a thing from happening again.

Mr. Saiki: We are looking at that. We have implemented— like I was saying earlier, the upgrading of the Lāwa'i Booster Pumping Station and the Yamada Tank will beef up the system.

Ms. Yukimura: Okay. Well, I went to one of your informational meetings at the Kalāheo Neighborhood Center and it sounded like what broke was only five (5) years old. To me, there were issues of contract and quality performance on that particular— and I am not sure and I do not want to go into it. What also seemed to be in question was rate of repair and response from— I do not know if this was a warranty repair or not, but putting into your contracts a certain response time maybe. I presume that at some point, you will have a report back to the Water Board that will be public record that analyzes what happened

and how things could be prevented, if they could be prevented. Maybe this was an unpreventable situation, but for such a major disruption to the system, I trust that there is going to be an analysis of what happened.

Mr. Saiki:

Yes.

Ms. Yukimura: Okay. Thank you. My last question for this time around is on your rehab projects, which you said is a lot of pipeline replacement; this is your main way, I presume, of preventing leaks. Is this a way that you are keeping water rates at least stable?

Mr. Moises: I guess. It sounds real theoretically, but if we can reduce our operational costs by reducing our leaks, then you reduce your energy consumption and callouts by our field personnel to go out and fix it. So because the water rates pay for all of that, I think you would reduce or stabilize the costs.

Ms. Yukimura: Because if you do not— and there has been issues, I think at least in Kekaha, where they say pipes seem to be breaking every week...

Mr. Moises: Not within the last two (2) years though because we have put a lot of money into Kekaha and Waimea between 2009 and 2012, so a lot of that problematic pipe joints were replaced from Waimea River to Kekaha, right where the beach/coast starts. A lot of that was replaced already.

Ms. Yukimura: Well, very good. That means that the callouts to Kekaha have been reduced substantially over the last two (2) years.

Mr. Moises:

Yes, I think so.

Ms. Yukimura: Thank you for doing that. What it looks to me is really good use of these public fees to make an operable water system that is operating as efficiently as possible. Thank you very much.

Mr. Chock: You have a related question here on the same topic. Councilmember Hooser.

Mr. Hooser: I do not know if it is the same topic or not, but I have a couple of questions. One of them is on the same topic.

Mr. Chock: Kagawa soon.

Okay. We will get to Councilmember

Mr. Hooser: Whether or not it is identified on the agenda, I am not one hundred percent (100%) sure, but I think it is relevant. There is a similar issue with the roads in terms of monitoring how often roads are paved and which ones need it and putting them on some kind of cycle. Does the Department of Water keep regular records? For example, "There is a leak here now and there is a leak six (6) months from now." Is that charted out somewhere where you can see if there are problem areas?

Mr. Saiki: We monitor where the problem areas are and every year we sit down with the operations people, the construction management

(CM) people, and the design people and come up with the list of projects. That is why the Water Plan 2020 project list actually grows because as the years go by, problem areas become different.

Mr. Hooser: Is it actually in a database or is it just anecdotal from experience of the different people?

Mr. Saiki: It is actually in our (inaudible) system where they get a work order to go and fix the leak, then they track where the area is.

Mr. Hooser: Great. That is what I want to hear. Thank you. I will hold off my other question and let us Councilmember Kagawa ask his.

Mr. Kagawa: Thank you. First of all, I want to thank you for your presentation. We see the importance of water. Last year in the McCully area, there was that big break. Also, last week at the University of California at Los Angeles (UCLA), Polly Pavilion was flooded. It is that important and a job, so I commend you folks for the work that you do in trying to prevent that kind of occurrences here. With that, for us out in the community, the public complains about property taxes and sewer bills being too high. Occasionally, we get some about their water bills and electric bills, so I have to ask the question that in comparison to the City and County of Honolulu, Maui, and Hawai'i Island, like a typical single-family bill; did we do any recent comparisons as far as the overall total bill at the bottom, "pay this much a month?" How does our bill compare to the other islands?

Mr. Saiki: I believe we are comparable to the other islands. The one thing we do that the other islands do not do is say if you have a leak on your property. If it is an illegible leak, we will rebate you part of it.

Mr. Kagawa: So other counties do not rebate that part?

Mr. Saiki: No.

Mr. Kagawa: Okay. What is the typical single-family bill?

Mr. Saiki: Seventy dollars (\$70) to about one hundred dollars (\$100) maybe.

Mr. Kagawa: Okay.

Mr. Saiki: I am not real sure.

Mr. Kagawa: Do we have analysis over the past maybe five (5) years? What has been happening? Has our bill gone up two percent (2%) or five percent (5%) per year? Maybe even over the last ten (10) years?

Mr. Saiki: In terms of consumption?

Mr. Kagawa: In terms of the bottom line, "pay this amount?"

Mr. Saiki: I am not real sure what you are asking.

Mr. Kagawa: I am just asking if have done an analysis to see...

Mr. Saiki: We do a rate study, and based on what we anticipate our costs are going to be in terms of replacement and rehab, we determine what our rates need to be. Then we go to the Board and get it approved, altered, or denied.

Mr. Kagawa: Okay. Thank you. Being that a bill is about seventy dollars (\$70) to one hundred dollars (\$100) a month, I think that is pretty reasonable. What I can see is the people struggling out there and I just want to make sure that in all areas, us here and you at the Department of Water, to do your best to keep the rates or the total amount that they need to pay each month as minimal as possible. That is where I am going. Thank you.

Mr. Chock: I just have one question. I was wondering if you folks could explain a little bit more on what you shared here with the project details. Particularly, I noticed you have—I do not know if it is by priority in the different colors, and then the funding source as well because they vary. Just so that I can understand it a little better.

Mr. Moises: I kind of just put this little summary together for you folks. What you see in yellow is current designs. It is all based on that one slide where it says (inaudible). The light blue, dark blue, and purple just reflect the phases and the projects related to those phases that were not contracted out yet. It is basically every single project in the Water Plan 2020, including the ones that were added since inception of the plan. It is just something that I use in-house to track it. In red, you see what was completed, and then in orange, you see the projects that we deleted. Some of those are because they were not necessary and some was because we did it in partnership with maybe a developer and so forth.

Mr. Chock: So the purple is almost completed?

Mr. Moises: No, purple is actually the farthest out.

Mr. Chock: Okay, so number one is almost completed?

Mr. Moises: Yes.

Mr. Chock: I see.

Mr. Moises: Basically, we finished Phase I and we are closing out Phase II. For Phase III, for a lot of those projects that were added on, it was like, "Okay, let us put this in our radar, so that we got it on the books in the planning purposes," but not necessarily, "Let us go get a design contract."

Mr. Chock: Okay. Thank you. Further questions? We will go this way. Councilmember Hooser.

Mr. Hooser: I just have a follow-up to Councilmember Kagawa. If you do not have the information now, you can provide it to us in writing. The question, I believe, is what is the percentage increase in water rates over the last ten (10) years?

Ms. Yano: The water rate study that we had— we had an eleven point two percent (11.2%) increase every year for four (4) years...

Mr. Hooser: Just a second. So eleven point two percent (11.2%) every year?

Ms. Yano: Yes.

Mr. Hooser: For how many years?

Ms. Yano: Four (4) years.

Mr. Hooser: Four (4)?

Ms. Yano: Yes.

Mr. Hooser: So that was a forty-four percent (44%) over four (4) years.

Ms. Yano: Correct.

Mr. Hooser: Follow-up to that again— we can put it in writing to you, but how that compares to other Counties because it is not just what the water bill is; it is what the rate is and what the rate of increase is. I think that is important. I will put that in a letter to you.

Ms. Yano: Okay.

Mr. Hooser: Thank you. I have other questions, but we can go on.

Mr. Chock: Councilmember Yukimura.

Ms. Yukimura: Back to the analysis for what happened in Kalāheo—I just want to make a formal request that when you have that completed and there is a report, that that be submitted to the Council, as well, when it becomes public record.

Mr. Saiki: Okay.

Ms. Yukimura: My question is about the main agenda item. You have given us the status of the Kahili Directional Drill Horizontal Well, which was “suspension,” but you have not told us why it was suspended.

Mr. Saiki: Basically, we suspended the project because: one, on staff, we really do not have someone really well-versed in directional drill or long-wells. Also, the amount of time and effort that that project would entail would have taken our Engineers away from other projects. Essentially, like Dustin was saying, two (2) Engineers in the design department would spend a lot of their time on one project, versus the rest of the island. I had to make the call to spread the work around.

Ms. Yukimura: But in planning for the future, how do you know which projects are the most cost-benefit/efficient? How do you know which projects to go forward with and not without doing an analysis?

Mr. Saiki: Well, it was not really an analysis project. It was doing the Environmental Impact Study (EIS) for that project.

Ms. Yukimura: I thought it was a feasibility study, which comes before an EIS.

Mr. Saiki: It was not; it was an EIS. There was no feasibility study and there was a quick, broad brush economic feasibility study requested during the EIS process.

Ms. Yukimura: So at some point in the future, do you plan to do a feasibility study?

Mr. Saiki: That is why the project is suspended and not totally canceled.

Ms. Yukimura: Because the appropriate sequence would have been a feasibility study before an EIS, right?

Mr. Saiki: Yes.

Ms. Yukimura: Yes, I wish our Administration would learn that sequence as well on other projects because it is really a waste of money to do an EIS before you do a feasibility study. Thank you very much.

Mr. Moises: Just to touch on that project in particular, since Kirk kind of came in to the project, but that project itself was actually in the Water Plan 2020.

Ms. Yukimura: It was actually what?

Mr. Moises: It was in the Water Plan 2020 from 2001, so it is "PLH-03." Based on that, in 2003 or so, the Department actually hired a consultant to look into drilling a horizontal well in the Līhu'e basin, (inaudible). Based on that study at the time, it was not feasible, so they had different recommendations, surface water, more vertical wells, and so forth. Then seven (7) years later, this project came to life through the Water Plan 2020 and the EIS was based on the Water Plan 2020 as seeing that drilling a dike/well would be beneficial to the system. So it did not just come out of nowhere in a sense, but through the process of the EIS— just for the record, I was in charge of the project up until April 2012. I recommended cancelling the project then, but based on the true progression of the project for two (2) years in the EIS, at that point it was realized that looking at feasibility should have been done first. It moved forward with an economic feasibility study at that point. I was off of the project, but it did come about through the EIS.

Ms. Yukimura: Thank you.

Mr. Kagawa: I think in the next few months, hopefully they have told us that we are planning to redo Puhi Road. I am just bringing up an

example. Are we coordinating with Public Works when they do major road repaving, that if there is work we foresee that might be needed, such as an old line that is there, do we try to do it prior to repaving? Do we just do it based on our schedule?

Mr. Moises: Annually, once we got our capital budget approved by the Board, then I send an E-mail to the Department of Transportation (DOT) and Public Works to let them know what we are going to do. Usually, we come in, put in a pipeline, and then they come in and rebid after, so that they can schedule their resurfacing plan around that. Like Puhi Road, if they are going to do that type of work, they actually have to come through our Department and Keith reviews the plans, so if we think we should replace the line at that time, then we do. We did that with DOT on this concrete highway. We upgrade the line to twenty-four inches (24), so that in event we have to put in a line, we would not have to go and break their new concrete road.

Mr. Kagawa: I guess that is where I am going. I have seen that happen as a nonmember of the County Council in the past, where a road was repaved, and then the County is digging it up. It just does not seem wise. Hopefully, we will try to do that kind of coordination, too, and it sounds like you guys are already doing it. I am going to ask a question, but anyway, the water quality, to me—I have lived here all of my life and I used to drink out of the hose, and I still would do it. It looks good. It does not look all murky like on the mainland and it tastes good. So far, I am pretty healthy. I want to thank you for that because I think it is important that we are able to drink out of the hose if we have to and what have you. Have we killed the idea of putting fluoride in the water? Where is that at? Do other Counties have it in the State? For me, what I am seeing out there is a lot of the... I am a teacher and I see some teeth that could be better. What happens is that it is very costly for the parent and if they cannot fix it, it just hampers their way of life later as they grow up. I am wondering where we are at that stage.

Mr. Saiki: We really are not thinking about adding fluoride to the water. A lot of places do not because what it is, is now you are saying everybody has to use the fluoride. The movement in the water industry seems to be going away from using fluoride in the water.

Mr. Kagawa: Okay, so it is going in the opposite direction?

Mr. Saiki: Because toothpaste and a lot of them have fluoride in it.

Mr. Kagawa: Okay. Thank you.

Mr. Hooser: It seems like we are wrapping up here and so far, nothing disastrous has happened, so that is a good thing. It is a lot of good information. I appreciate that. The fundamental question that kind of led to this is about management and ownership of the Department of Water. You are a semiautonomous or autonomous organization, so the question is— and we can relate it to the horizontal drilling and any of these other projects. Who makes the decision to do the horizontal project or not do the horizontal project?

Mr. Saiki: The Department and the Board, with the Board's approval.



Mr. Hooser: Ultimately, who is your boss?

Mr. Saiki: The Board.

Mr. Hooser: I just want to get it clear. I think I know the answer, but I think the public needs to know the answer. Sometimes they say, "How come the Mayor does not do this? How come the Council does not do this?" So the Mayor is not your boss. Is that correct?

Mr. Saiki: Technically, no.

Mr. Hooser: Technically, no?

Mr. Saiki: No. It is the Board.

Mr. Hooser: Right. How many members are on the Board?

Mr. Saiki: Seven (7) members on the Board.

Mr. Hooser: Who is the Chairman of the Board?

Mr. Saiki: Clyde Nakaya.

Mr. Hooser: Okay. How is the Board appointed? Does the Mayor appoint people, and then it comes to the Council?

Mr. Saiki: Yes, it comes to the Council.

Mr. Hooser: Okay. So it is my understanding that the staff, yourself and others, would make recommendations to the Board, and then the Board would give you the discretion and say "go ahead and do it" or the Board would then decide. Is that how it works basically?

Mr. Saiki: Yes, basically.

Mr. Hooser: So when it comes to selecting projects on a list, for example, or whether we are going to go east side, west side, or north shore, or where we are going to put our resources; does the Board make that decision? Do you make that decision?

Mr. Saiki: It is the same way. We make recommendations to the Board.

Mr. Hooser: Okay, so the Board, say in the horizontal drilling situation, approved or said "yes" to that decision? That is just an example.

Mr. Saiki: Yes, we went to the Board.

Mr. Moises: Basically, it is in the Hawai'i Revised Statutes (HRS) where we fall under the Board, and the Board basically has the authority to collect, receive, and expend all of our moneys. As to the operations of our water systems, as long as we make our recommendations and they approve

funding in that shape or form. Like you said: “maybe, yes, or no.” Every project is different, but every project goes through them for approval in some shape or form because we need the money.

Mr. Hooser: But the core administratively, you answer to the Board; you do not answer to the Council or the Mayor’s Office?

Mr. Saiki: Yes.

Mr. Hooser: I think that is important for people to understand because it is confusing because it is County employees, and they expect us and expect others to somehow be more responsible than we are. It is just one of the fundamental points that I wanted to get across. I am not trying to badger you or anything like that. I just think it is important that we have that discussion. Thank you for that.

Mr. Chock: Are there any other questions?

Ms. Yukimura: Your plan, I guess both the Water Plan 2020 and based on your input on slide number 19, both your Water Plan 2040 talks about water conservation. I was wondering if you could just give us a rundown of how you have been achieving the goals of the Water Plan 2020 in water conservation.

Mr. Moises: Kim can come up. She is our Public Relations Specialist and she kind of takes care of that.

KIMBERLY TAMAOKA, Public Relations Specialist: Good morning.

Ms. Yukimura: Good morning.

Ms. Tamaoka: I am the Public Relations Specialist for the Department of Water. My name is Kim Tamaoka. We have a number of things that we do for water conservation. We do many radio advertisements, media advertisements, and things like that to get the word out about conserving water and educating the public through outreach through those media outlets. Every year, we do a partnership with the Honolulu Board of Water Supply and we do five (5) to six (6) months of these advertisements to the public. We do a free low-flow water fixture giveaway, so the public can sign a form and fill out if they want to get free low-flow shower heads or kitchen aerator kits. We give those away to the public as well. We do “Leak Detection Conservation Weeks,” where it is another media thing where we send out to the public about outreach on how to fix your leaks in your house and how to detect a leak in your toilet or looking at your meter. We also do a program called “Project Water Education for Teachers.” This is called “Project Wet,” so every year we do a “Make A Splash Festival” for the kids. We invite fifth graders from all across the island to come to our arboretum across our office and do water education activities with them. We do that every year. Since 2012, we also have a grant contract with the State Department of Health to develop and implement a statewide Project Wet Curriculum for the students and teachers across the State. So far, we have developed a pilot curriculum and have done educational workshops for teachers on Kaua’i, O’ahu, Maui, and Kona, and that is still ongoing. We also give the public other resources about how to conserve water through different gardening techniques and other educational activities, mostly for kids.

Ms. Yukimura: Thank you very much. You sound very busy and I know you are doing good things. What was the goal in the 2020 Plan for water conservation and how are all of those activities that you are doing achieving it? How are you measuring water conservation success?

Mr. Saiki: Right offhand, I do not know what the goal is, but I know over the past several years, our water consumption has dropped.

Ms. Yukimura: Good. Perhaps in a follow-up, you might tell us what the goal is, like you have done with your water development achievements and process, and report back to us on water conservation. Just like energy, whatever you save is a source, right? They say that the cheapest source of new water or new energy is the water and energy you save. I believe that will increase your cost-effectiveness, too, of your operations. So that would be an interesting thing for us to see. Congratulations if water use has been going down. It might be related to the increase in water rates in part, because there is a relationship, we all know about that. But as long as those rates are actually needed in order to provide efficient service, then you are getting two goals with one action, so that is very, very good. Dustin, do you have something?

Mr. Moises: I do not know why, but I thought you might ask that question. I printed out our executive summary from Water Plan 2020, which is actually available on that link that we gave.

Ms. Yukimura: Okay.

Mr. Moises: In 2001, I will just read you verbatim some of the stuff. "Current conservation efforts: current conservation activities in the Department include one hundred percent (100%) customer metering, meter repair replacement, non-meter water analysis report, leak detection, tank overflow control and alarms, and then using all of the fixtures that are low-flow." So 2001— fast forward fifteen (15) years: one hundred percent (100%) customer metering. Back in the day, they used to go around and look, open up your box, and take a look. Now we have automatic meter reading, which they did right when I came in 2005. So now, there is a jump drive where you can download your meter readings and if you have a leak, we can notify our customers. Right now, it is within the cycle readings (inaudible) one (1) month. I know they are trying to increase that to be more instantaneous. So it covers that meter repair and replacement. It is the same thing with that; if the meter shows a fallacy, then they can go and replace it. Non-meter water analysis report and leak detection. Val, our Operations Chief— they just hired some staff to do water audits of our system. In conjunction with our tank control overflow alarms and stuff like that, we have a Supervisory Control and Data Acquisition (SCADA) system around the island, which is basically electronically from anywhere with internet access that can look at all of our systems and meter flow. In essence, once they complete this audit with the leak detection equipment, they can look at the various systems, what we are billing, and what is flowing out of our site? They can look at the discrepancy and that is going to be one of our big efforts for water conservation as well.

Ms. Yukimura: So that is "SCADA?" That system allows you to see how much water is actually reaching customers and how much you are losing?

Mr. Moises: Yes. That is one of the mechanisms we can use, but it allows us to do a lot of things remotely. One of the things is actually tracking our water usage. You guys brought up Kalāheo, but it also allows us to track our well, pump data so like amperage and stuff like that, so we can see if the efficiency of our pumps is tracking what they are supposed to be. I think when you use that in conjunction with— you can all of the electrical gadgets and all of that, but in looking at how the thing is actually operating in the field is by far the most fundamental thing to running any water system. We have the tools. Like anybody else, we are working on improving them and using them as needed and hopefully we continue to do that and get a better system.

Ms. Yukimura: Thank you very much, Kim, Dustin, and Kirk.

Mr. Chock: Thank you. I have a couple more questions here. I am sorry. I know you are ready to pack up here. In reference to public facilities or public parks in particular, is there any monitoring that occurs on those sites that you can speak to? What I am thinking about is and what we have been talking about is use like when you rent a pavilion. Many people use water for the water slides and so forth. In terms of conservation, is there a way to monitor the usage of water?

Mr. Saiki: Well, the County parks are metered.

Mr. Chock: So for instance, someone rents Lydgate Pavilion for the weekend and they are going to have a graduation party or festival.

Mr. Saiki: Well, we do not have meters on individual facilities; individual pavilions. We just have a meter for the park. What we can do is, say for a particular weekend, give you a profile of what was used, so you can see. Maybe it is zero all week and on the weekend it spikes up.

Mr. Chock: So a report on what was used?

Mr. Saiki: Yes.

Mr. Chock: Okay. I understand. In terms of planning purposes, I know we are talking about 2020, but moving forward in the next twenty (20) years after 2020, we know that the population is going to significantly increase, even if people stop coming to Kaua'i. Can you share any big concerns or needs that we need to be looking at. I know the General Plan is about to be updated, so considerations for us to look at in terms what it is that we need to be looking at. Is it source? Is it access? What are those questions that we need to be asking?

Mr. Saiki: Basically for us, what we need is, "Where is the development going to happen and when?" If we can stay ahead, then great. If it is a large development, say like Kukui'ula, then we partner with them and build the facilities. Basically, it is "where" and "when."

Mr. Chock: Okay, so just coordination again with Planning and making sure we know where we are going.

Mr. Saiki: Yes.

Mr. Chock: Okay. Follow-up question.

Mr. Hooser: Yes. I appreciate the Vice Chair bringing this issue up. Some will say it is the most important issue in terms of capacity, sustainability, and growth. Are we okay? Is there going to be a problem? Do you want to speak about that for a few minutes before we conclude? It is probably a subject for another conversation.

Mr. Saiki: Well, we are well below the sustainable yield throughout the island.

Mr. Hooser: So we are well below the sustainable yield around the island, which...

Mr. Saiki: I believe we are... say for just the Līhu'e Basin, we are ten percent (10%) or maybe less of the sustainable yield.

Mr. Hooser: So it is not a question of source; it is a question of delivery and system capacity.

Mr. Saiki: Well, it is not a question of whether or not the water is there. It takes money and time to drill wells, build pipelines, and build reservoirs.

Mr. Hooser: That is a good, short answer. Thank you.

Mr. Chock: Thank you. We appreciate your presentation and we will look for more follow-ups in the future.

Mr. Saiki: Thank you.

Mr. Chock: At this time, I would like to move to public testimony. Do we have anyone signed up?

Mr. Sato: We have no registered speakers at this time.

Mr. Chock: Okay. We have some hands there. Please come up first.

GLENN MICKENS: For the record, Glenn Mickens. I just have a couple of comments. First, I want to thank these people for their fine report. I thought it was very good. Also, we have asked this before—the public would appreciate getting copies of these PowerPoints. We sit there and we would like to go along as you are reading and we cannot see some of them. We would appreciate that. One of the PowerPoints said “address deteriorating and aging water infrastructure.” I once asked the question because DOW had a slush fund or set aside for these deteriorating water lines. The answer was “no.” Their PowerPoint also said “system replacement, water rate funded.” I presume this means that our water rates will be raised accordingly to pay for replacement/repair. I am highly against this method of payment as it tends to raise rates in one increment, instead of gradually over time. For me, this puts too big a burden on the water user at one time. Most businesses have maintenance, set aside funds for emergencies and repairs, so why does the Department of Water not have? Also, it is impossible to conserve more water on Kaua'i by having reservoirs to hold the millions of gallons of

water coming off our mountains and going into the ocean. These reservoirs have multi-uses, recreational, hydropower, and conservation, so why are we not exploring and doing this? I think these people are doing a good job, but again, if you look at the place in the United States by Hoover Dam where they have this great recreational area, but they are getting hydropower. It is one of the cheapest means of providing power for any place. I think in Washington, it is six cents (\$0.06) a kilowatt hour. What are we paying here? Forty-seven cents (\$0.47)? I think it is ridiculous. When I look out at my mountain out there beside me, Mount Makaleha, every day, I see thousands of gallons of water coming off there and just flowing out to the ocean. I think it could be conserved. Anyway, I think this is worth exploring... just like a set aside or some kind of a slush fund or something that every business has to set aside for emergency purposes. To raise the rates incrementally out of sight just because they have to fix something—Ross, I think your other point about paving the roads—I think that is a “no brainer.” Make sure that they coordinate it, so that they know when the water lines are going to be done. Do not wait until the road is paved and go back and rip it up. Thank you.

Mr. Chock:  
Councilmember.

Mr. Mickens, you have a question from a

Ms. Yukimura:

Hi, Glenn.

Mr. Mickens:

Hi, JoAnn.

Ms. Yukimura: Do you not think that there is a line item for repairs and it comes from fees? Do you not think that would be a case in an operation like that? I would presume that if you look carefully at their budget, there is a set aside, but it takes a source of money to make that set aside.

Mr. Mickens: That is true, but if that set aside is over time, it is a lot less burdensome on the individual rather than all of a sudden you get your water bill and it goes up fifty percent (50%) to sixty percent (60%) because the water line broke, like Ross was pointing out about UCLA where millions of gallons of water...

Ms. Yukimura: Yes, well that is why it is not happening here because they are fixing and replacing the lines.

Mr. Mickens:

Yes.

Ms. Yukimura:

Thank you.

Mr. Mickens:

You are welcome.

Mr. Chock: I just wanted to mention also that I think on the back of this presentation, they did say that their PowerPoint and information is on their website, so if anyone is interested in seeing the details of the presentation, go to “kauaiwater.org.” Point well-taken on what we should be presenting to the community and what is presented. Thank you.

Mr. Mickens: Yes, not just on this water thing, but anytime a PowerPoint thing comes up, it would be nice to have a copy.

Mr. Chock:

Understood.

Mr. Mickens: I think the people are good enough here, your Staff to have copies of it for the public, but to just keep us on board.

Mr. Chock: Thank you.

Mr. Mickens: Thank you, Mason.

Mr. Chock: Would anyone else like to testify from the community? Seeing none, I will call this meeting back to order. Councilmembers, is there any further discussion on the item?

There being no objections, the meeting was called back to order, and proceeded as follows:

Ms. Yukimura: I am sorry that the Water Manager and staff are not here because I want to thank them for this presentation. I think the presentation showed remarkable achievement. Plans cost a lot of money, but often we spend all that money— over one million dollars (\$1,000,000) for a General Plan Update, and then our plans go on the shelf and you do not see or hear about it until the next plan has to be done. In this case, we actually see major implementation of the plan, so I just want to acknowledge that good service of an important public need, such as water, starts with a good plan. I want to acknowledge Ernie Lau, who was the Water Manager, who is now the Water Manager for the City and County for developing a very good 2020 plan. The Water Board Chair at that time, Carol Suzawa, who was a very strong leader and that is what is needed. Once you have a good plan, you need money to implement the plan and really good project management. I do not know if we can get the slide back up, but we saw that— is it gone? As Dustin pointed out, slide number 11, the water plan progress really zoomed in 2005 and I am not sure when David Craddick came on board, but I want to acknowledge his leadership. Apparently, Dustin joined the Department of Water in 2005, and again, I think that is a matter of leadership. If you look at the 2020 Plan progress and construction, it has been nine (9) years of remarkable achievement. I want to really congratulate the Department of Water for that. I think if you look at our own Public Works CIP progress, it cannot stand to this example except, I think, with the coming of Keith Suga, and now the progress that is starting is showing, again, the importance of really qualified, good leadership.

Mr. Chock: Thank you. Councilmember Hooser.

Mr. Hooser: I think it was a good few hours of discussion and I also thank the Department of Water Management and staff. I think that the whole topic of the Department of Water's semi-autonomy, or the nature of its relationship to the County and to this Council, frankly needs to be reexamined a little bit. We "cosign their loans," for the want of a better way to say it, and we vote here on bond issuance. They are County employees. The County Attorney's Office services them. Our Human Resources' payroll services them. Most of the people believe they are just like everybody else, yet we have very little oversight, very little say. I think it behooves this Council to assert a certain amount of... I do not know what you would call it? Oversight? To at least look and talk to them on a regular basis in a public manner. We review every single department. Police and Fire also have Commissions. I think it behooves us to put them on the agenda for a budget review, quite frankly, to at least have that discussion because they are County employees and it is part of the County of Kaua'i. I am glad because today seemed

like a good first start. This is not a criticism of the Department of Water by any stretch of the imagination, but I just think that the Council needs to be more engaged in the process. Thank you.

Mr. Chock: Councilmembers, is there any further discussion on receiving this item? If not, we will have a vote on it.

The motion to receive C 2014-220 for the record was then put, and carried by a vote of 6:0:1:0 (*Chair Furfaro was excused*).

C 2014-221 Communication (07/07/2014) from the Chief of Police, requesting Council approval to accept and utilize a vehicle acquired from the Asset Forfeiture Program for law enforcement purposes, replacing a vehicle that was previously disposed, a black 2001 Nissan Xterra SUV, VIN No. 5N1ED28TX1C525387, that was assigned to the Vice Section: Mr. Kagawa moved to approve C 2014-221, seconded by Mr. Rapozo, and carried by a vote of 6:0:1:0 (*Chair Furfaro was excused*).

C 2014-222 Communication (07/10/2014) from the Executive on Transportation, requesting Council approval to receive, indemnify, and expend Federal Transit Administration (FTA) Section 5304 Statewide Planning Funds, in the amount of \$200,000, to support the Transportation Agency's completion of a Short Range Transit Plan for the County of Kaua'i: Mr. Kagawa moved to approve C 2014-222, seconded by Ms. Yukimura.

Mr. Chock: I see Celia here. Do you have something to share as well in addition to this item? Are there any questions for Celia?

Ms. Yukimura: I would like to ask a question.

Mr. Chock: We do have some questions, so if you can come up. I am going to suspend the rules now.

There being no objections, the rules were suspended.

CELIA M. MAHIKOA, Executive on Transportation: Good morning. I am Celia Mahikoa, the Executive with the County Transportation Agency.

Mr. Chock: Go ahead, Councilmember Yukimura.

Ms. Yukimura: Good morning, Celia. Thank you for being here. I just thought it would be a chance to briefly let the Council know where we are in terms of the overall plan. These moneys are for the hiring of a consultant to help the Transportation Agency do a short-range transit plan.

Ms. Mahikoa: Exactly. Yes.

Ms. Yukimura: This was something that was projected in the Kaua'i Multimodal Land Transportation Plan (KMLTP).

Ms. Mahikoa: Yes, it was specifically recommended in the plan in order for us to strategize how we are going to achieve the short-range goals that were recommended in here.



Ms. Yukimura: Okay. These are a request to receive Federal Transit Administration (FTA) funds for the plan.

Ms. Mahikoa: Yes, that is correct. The State Department of Transportation graciously asked for reallocation of some of their planning funds to allow us this opportunity. They are providing us the two hundred thousand dollars (\$200,000) in order to proceed with this short-range plan to fulfill this need that we have.

Ms. Yukimura: How long do you anticipate that this planning process will take?

Ms. Mahikoa: For this plan, the preliminary scope that we have drafted up, we want it to be wrapped up within one (1) year. That is the goal. We are going to be going out for a Request For Qualifications (RFQ) and getting into a contract for a one (1) year contract with a consultant who will assist in leading the plan.

Ms. Yukimura: Which is likely to be next year if we go through the RFQ process?

Ms. Mahikoa: We are probably looking at completion— if all goes well with the contracting process, we should have it wrapped up by the end of the next calendar year is the goal.

Ms. Yukimura: Thank you very much for your perseverance is making sure that the Multimodal Plan is followed and implemented. Thank you.

Mr. Chock: Councilmember Rapozo.

Mr. Rapozo: Thank you, Celia. I am assuming this comes in a County match.

Ms. Mahikoa: Yes it does.

Mr. Rapozo: What is the County match?

Ms. Mahikoa: The County match would be twenty percent (20%) of the total project cost, so it would be a total of fifty thousand dollars (\$50,000), which we have thirty-five thousand dollars (\$35,000) already allocated there and we will going to be requesting a budget revision to allocate the additional fifteen thousand dollars (\$15,000) needed in order to fully utilize the award that we are being provided.

Mr. Rapozo: Okay. Will those additional fifteen thousand dollars (\$15,000) be coming from your existing budget?

Ms. Mahikoa: Yes.

Mr. Rapozo: Okay. Thank you.

Mr. Chock: Are there further questions? Councilmember Yukimura.

Ms. Yukimura: Do you need Council approval for that revision or can you do it in-house?

Ms. Mahikoa: Typically, with our budget revisions, we are able to do that among our existing line items.

Ms. Yukimura: Okay, excellent. Thank you.

Mr. Chock: Further questions? Seeing none, thank you for the communication and I looked forward to seeing this great work get done. Would anyone from the public like to speak on this item? Seeing none, I will call this meeting back to order. Further discussion, Councilmembers? If not, let us move to the next item.

There being no objections, the meeting was called back to order, and proceeded as follows:

The motion to approve C 2014-222 was then put, and carried by a vote of 6:0:1:0 (*Chair Furfaro was excused*).

C 2014-223 Communication (07/10/2014) from the County Engineer, requesting Council approval for the Department of Public Works Automotive Division to purchase two (2) 120-gallon 10-hp 3 phase compressors, at a cost of \$15,000 each (total \$30,000), to replace two (2) old 120-gallon 10-hp 3 phase compressors: Mr. Kagawa moved to approve C 2014-223, seconded by Ms. Yukimura.

Mr. Chock: Any questions?

Mr. Rapozo: I have a question that can be sent over in writing. I am just curious when we replace equipment. I know we have had the discussion here, but I do not think we have ever gotten an answer. I know Mr. Furfaro always talks about the value of the asset when we replace it. We have to do something with it. Do we just throw it in the landfill? Do we sell it? Do we give it away? As these replacement items come up, it would be important for me to have in the request what happens to the item? If it is disposed, where is it disposed? I think even if it is used and old, I think there is some value. If it goes to the auction block, that is fine. But if it does go to the landfill or where ever the metal dumping area is, then we should be getting a credit for our financials. I am just curious if we can make it where we set the policy that when they come over with replacement requests like this, then they will also tell us where the old item is going to go. Thank you.

Mr. Chock: Any further questions? If not, would anyone from the public like to speak on this item? If not, let us move on.

The motion to approve C 2014-223 was then put, and carried by a vote of 6:0:1:0 (*Chair Furfaro was excused*).

C 2014-224 Communication (07/16/2014) from the First Deputy County Attorney, transmitting for Council information the Quarterly Report on Settled Claims Against the County of Kaua'i from April 1, 2014 through June 30, 2014: Mr. Rapozo moved to receive C 2014-224 for the record, seconded by Ms. Yukimura.

Mr. Chock: We do have one question here. I do not see our County Attorney, but I will hand the floor to Councilmember Hooser.

Mr. Hooser: We can wait until the County Attorney comes back.

Mr. Chock: Okay.

Mr. Hooser: What is the page number again?

Mr. Chock: Page number 3.

Mr. Hooser: This is a list of claims, correct? Pending and settled. I guess my question is why do we not have another list of all the other claims, lawsuits, and actions because I see that there is not a lot on this, in terms of the things that we normally go into Executive Session for. I would like to have a summary of that, even if it is confidential, in terms of a list of all the various—I know we have actions in the Police Department, Fire Department, the Mayor's Office, the Prosecutor's Office, and the Auditor's Office. Am I forgetting some? I would like to have a consolidated list. I was wondering why this is not... maybe there is another list.

Mr. Chock: I was going to mention that we have a County Attorney, but I know this came up in a previous meeting with a request, so it is part of our Executive Session for today. But maybe to get some clarification...

Mr. Hooser: So there is an Executive Session item today that gives us a comprehensive review of all the outstanding cases?

Mr. Chock: Yes. ES-746, which is as I recall, a request from a Councilmember. I am not sure who at this time, but that was where it generated.

Mr. Hooser: Okay, so this is a separate item from the item we are voting on right now.

Mr. Chock: Yes.

Mr. Hooser: Okay. I can wait until that then. Thank you.

Mr. Chock: Sure. Public testimony? Seeing none, let us move on to the next item.

The motion to receive C 2014-224 for the record was then put, and carried by a vote of 6:0:1:0 (*Chair Furfaro was excused*).

Mr. Sato: Vice Chair, we are going to take some items out of order because these require Executive Session, so if we could go to the top of page number four. We have a Committee Report from your Committee of the Whole, CR-COW 2014-10.

There being no objections, CR-COW 2014-10 was taken out of the order.

COMMITTEE REPORT:

A report (No. CR-COW 2014-10) submitted by the Committee of the Whole, recommending that the following be Approved:

“Bill No. 2547 – A BILL FOR AN ORDINANCE TO AMEND SECTION 2, ORDINANCE NO. 891 AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF KAUAI FOR THE PURPOSE OF FINANCING CERTAIN PUBLIC IMPROVEMENTS AND REFUNDING CERTAIN BONDS OF THE COUNTY; FIXING OR AUTHORIZING THE FIXING OF THE FORM, DENOMINATIONS, AND CERTAIN OTHER DETAILS OF SUCH BONDS AND PROVIDING FOR THE SALE OF SUCH BONDS TO THE PUBLIC,”

Mr. Bynum moved for approval of the report, seconded by Ms. Yukimura, and carried by a vote of 6:0:1:0 (*Chair Furfaro was excused*).

BILLS FOR FIRST READING:

Proposed Draft Bill (No. 2540) – A BILL FOR AN ORDINANCE AMENDING ARTICLE 17, CHAPTER 8, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO NONCONFORMING USE CERTIFICATES FOR SINGLE FAMILY VACATION RENTALS: Ms. Yukimura moved for passage of Proposed Draft Bill (No. 2540) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for September 10, 2014, and that it thereafter be referred to the Planning Committee, seconded by Mr. Bynum.

Ms. Yukimura: Wait— I think it needs to be referred to the Planning Commission. I am sorry, correction.

Mr. Chock: No, it is to the Planning Committee.

Ms. Yukimura: I am sorry. My first referral was correct.

Mr. Chock: Are there any corrections on this item?

Mr. Rapozo: I have a question, but I have a comment.

Mr. Chock: Okay.

Mr. Rapozo: I will be supporting this today to get it to the public hearing; however, we have been talking about getting an update from Planning regarding the enforcement of the Transient Vacation Rental (TVR) Ordinances— I am being summoned or motioned that it will be next week. That was all I was going to do is make it a point that before this process comes to an end, I would hope that we could get the updates from Planning before we start changing the laws, that we would hear from them on their efforts and successes, hopefully, on the enforcement. Thank you.

Mr. Chock: Good. So we will have an update in order to make some decision on this Proposed Bill. Do you have a question?

Mr. Hooser: I have a comment, if I may, Chair. I will also be supporting this on first reading to allow public hearing, but I have concerns. I

share Councilmember Rapozo's concerns, but I have others. We have a series of revenue measures that are coming before us. We have public hearings later. We have other issues on the taxes and I am going to be very hard-pressed to support any revenue matters... increases, whatsoever, until the Administration is able to present to us a plan as to how they are going to manage the expenses moving forward, quite frankly. We are getting a lot of this in piecemeal fees/increases and I support in principle the next item, Pay As You Throw, but again, given the history of the Administration and the situation with the budget, I am going ask for a more comprehensive, broader look at both the tax structure, as well as the expenses being spent by this County before I am able to really move forward and support any other fee increases. Thank you.

Mr. Chock: Thank for the discussion. I will move us back since we have the Deputy Planning Director here to answer any questions that might be vetted now on this item if there are any questions to the Planning Department at this time. If not, what I would like to do is move towards public testimony, and then we will come back to further discussion. Good morning, Mr. Crowell. Did you have more to share with us regarding this Proposed Bill at this time?

There being no objections, the rules were suspended.

DEE CROWELL, Deputy Planning Director: Dee Crowell, Deputy Planning Director. The purpose of this Bill was to kind of bring this cost of administering this Ordinance in line of what it actually costs. Just in terms of the manpower being dedicated to this effort, we have approximately four hundred (400) TVRs with the Nonconforming Use Certificate that renew every year. At five hundred dollars (\$500), I think it gives us two hundred thousand dollars (\$200,000) a year. With the manpower being dedicated to it, it comes out to about three hundred thousand dollars (\$300,000) or more. Up until now, we have been focusing on the certificate holders and those who are applied to get a certificate at one point or another. We are gradually branching into going after those that never did apply, period, so we think that is going to cost even more money, time, and effort. We have not really increased the staff. We have hired one (1) part-time Analyst using the enforcement money. We have moved existing personnel to TVRs and we have hired one (1) Junior Planner to kind of help with the Administration of this. Just in personnel costs, it is costing that much.

Mr. Chock: Anything further? We have some questions from Councilmembers. I will start with Councilmember Yukimura.

Ms. Yukimura: Dee, thank you for being here. I have some concerns about why law abiding nonconforming TVRs... or not even nonconforming— well, does this apply to only nonconforming TVRs or to all TVRs?

Mr. Crowell: What do you mean?

Ms. Yukimura: The increase in fees.

Mr. Crowell: The increase in fees only applies to certificate holders because those are the only guys in the system that has complied with the Ordinances Nos. 864, 876, and 904.

Ms. Yukimura: Okay, so I have some concerns about making them pay for the enforcement of those who are totally illegal.

Mr. Crowell: Well, as I said, what we are expending now is only dedicated to the existing guys and the guys that were part of the system from the get go.

Ms. Yukimura: But the regulation or the... yes, the regulation of these entities is really being caused by those who are not properly following the law, right?

Mr. Crowell: Okay. If you would like us to have a separate funding for those, we might have to come back.

Ms. Yukimura: You could get moneys in terms of penalties?

Mr. Crowell: In terms of what?

Ms. Yukimura: Penalties for violations.

Mr. Crowell: We have returned forty-seven thousand dollars (\$47,000) to the General Fund in fine moneys collected so far, because they were in excess of one hundred thousand dollars (\$100,000).

Ms. Yukimura: Right, so that is a potential source.

Mr. Chock: Sorry to interrupt. We have been asked to take a caption break. We are a little overdue. We could come back to this after the caption break.

Ms. Yukimura: No, I am done with my questioning. Thank you very much.

Mr. Chock: Okay. I will just ask you if you could stay because I am sure there are more questions for you. We are going to take a caption break at this time. Thank you.

There being no objections, the meeting recessed at 11:05 a.m.

The meeting reconvened at 11:18 a.m., and proceeded as follows:

Mr. Chock: *Aloha.* We are back from our caption break. We are on Proposed Draft Bill (No. 2540) and we have our Deputy Planning Director here. Are there any further questions before I move on? Seeing none, I want to thank you for your time. Is there anyone from the public who would like to testify? Mr. Mickens, you can come up.

Mr. Mickens: For the record, Glenn Mickens. I just have one comment. If I remember correctly, Chair Furfaro said many months ago that he wanted the Planning Department here regularly to give us an update on the illegal transient vacation rentals. This has not happened. It took private citizens Joan Conrow and, I believe, Barbara Robeson to investigate this problem and bring it to the attention of those in authority. Why are we not demanding more and more to be able to have the Planning Department here to keep on holding their feet to the fire?

Why is there not something being done about this situation? That is my question. Chair Furfaro just got back here, so maybe he can address it.

*(Chair Furfaro is noted as present at 11:18 a.m.)*

Mr. Chock: Glenn, you have a question from Councilmember Bynum.

Mr. Bynum: I just want to respond that I believe the Planning Department is scheduled to come very soon, like in the next two meetings, just for that purpose. It was discussed briefly earlier today and Mr. Crowell just discussed the changes they are making in personnel to try. The update is forthcoming. I just wanted to let you know.

Mr. Mickens: Right. As I remember that Jay made the statement, "I want you guys here each month." This has about five (5) or six (6) months ago when I think he made that statement, if I am correct. I have not seen anybody here every month to address that problem.

Mr. Bynum: You might be correct.

Mr. Mickens: Thank you.

Chair Furfaro: Can I just address that? Mr. Mickens, I am not sure how you interpret what I say all the time, but I do want to let you know that the TVR piece is on the Committee Meeting next week. Does that help you?

Mr. Mickens: Yes. When did you make that statement? I think it was like six (6) months ago. You said that you wanted somebody sitting here— I remember you pointing the finger at...

Chair Furfaro: I just gave you some feedback. I very rarely "point the finger," but if you remember such, I will not deny it. I just wanted to answer your question.

Mr. Mickens: Well, I appreciate it.

Chair Furfaro: The TVR Bill is on the Committee Meeting agenda for next week.

Mr. Mickens: I appreciate that, but I am just saying that it was demanded, I thought, by you, to have somebody here each month to address the question and I did not see it happen. That is all. Thank you.

Chair Furfaro: Thank you for your feedback and I look forward to seeing you next week, Glenn.

Mr. Mickens: Thank you.

Chair Furfaro: Continue with the meeting.

Mr. Chock: Thank you. Any further public testimony on this item? Mr. Taylor, please come up.

KEN TAYLOR: Chair and members of the Council, my name is Ken Taylor. I certainly recommend approving this request. I think that it is only fair that people that are involved with nonconforming uses pay their way; otherwise, the burden falls on the rest of the taxpayers. I think that it looks, from the presentation this morning, that they have actually looked at the cost of what it is costing them to process these activities. Let us move forward and approve this Bill. I think it is very important. Thank you.

Mr. Chock: Thank you for your testimony. Would anyone else like to testify on this item?

JOE ROSA: Good morning, Members of the Council. For the record, Joe Rosa. I will make it short, fast, and quick. I hear all about these violations of the vacation rentals, etcetera. We have people in this County that could solve this thing here because it is a violation and we have a Prosecuting Attorney's Office that is hardly doing anything; that they could look for it and go after those guys who are breaking all of the rules. Let us get these people working that are being paid big salaries and asking for more raises in only two (2) years of work. They know what the pay was when they started out in the office. Let us show that they are worth the money that they are getting paid for. Get those guys off their butts, get out there, and issue those citations and put the burden that they pay for what they have. We will not have all of these kinds of problems of these vacation rentals. If they are violating the rules, they pay for their crimes. So get the Prosecuting Attorney's Office off of their butts or deputize someone in the Planning Department to issue the citations of the violations. Thank you.

Mr. Chock: Thank you. Any further public testimony on this item? Seeing none, we will call this meeting back to order. We had some earlier discussion on this item. Would anyone else like to speak on it? Councilmember Bynum.

There being no objections, the meeting was called back to order, and proceeded as follows:

Mr. Bynum: I just want to recall that I believe this was part of our budget discussions, this Bill, and is incorporated in our budget assumptions for this year. I am referring to the TVR one. My recollection was part of a straw poll and the Council is committed to this revenue, so if there should be some other decision, we will have to address the revenue implications as well. I just wanted to point that out.

Mr. Chock: Councilmember Yukimura.

Ms. Yukimura: Thank you. I appreciate Councilmember Bynum's recollections about the origins of this Bill. I just want to say that recently, it has come to my attention that some TVRs in commercial areas of this County were, I guess, made nonconforming by the TVR law, and they do not command the kind of high rates that the shoreline, north shore rentals command. They are getting heavily affected by these increases and I think it is an unintended consequence that I know I need to look at as we make assumptions about what TVRs are. I think we are learning that there is a gradation of them, just as there are residential classifications without owner-occupants. It is something that I think I want to look closely at in terms of impact while balancing the need for revenues. Thank you.



Mr. Chock: Thank you. Any further discussion? I am looking forward to more continued discussion and work on this. I think my only concern is the unintended consequences. But definitely the need to address our TVRs is equally as important or more. At this time if there is no further discussion, we will have a roll call.

The motion for passage of Proposed Draft Bill (No. 2540) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for September 10, 2014, and that it thereafter be referred to the Planning Committee was then put, and carried by the following vote:

FOR PASSAGE:	Bynum, Chock, Hooser, Kagawa, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Mr. Chock: Thank you. The motion passes. At this time, I will pass the meeting back over to Chair Furfaro as we have an order of the day to follow.

Mr. Chock returned Chairmanship to Chair Furfaro.

Chair Furfaro: Thank you very much. I guess on that note, I am going to call up the County Attorney. Is that where we are at here? Excuse me. Let us finish these Bills for first reading.

Proposed Draft Bill (No. 2551) – A BILL FOR AN ORDINANCE AMENDING CHAPTER 21, SECTIONS 21-1.3 AND 21-9.1, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO INTEGRATED SOLID WASTE MANAGEMENT TO ESTABLISH VARIABLE RATES FOR THE COLLECTION OF RESIDENTIAL AND COMMERCIAL REFUSE (PAY AS YOU THROW): Ms. Yukimura moved for passage of Proposed Draft Bill (No. 2551) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for September 10, 2014, and that it thereafter be referred to the Environmental Services / Public Safety / Community Assistance Committee, seconded by Mr. Chock.

Chair Furfaro: Is there any discussion? Is there anybody in the audience who wishes to testify? If not, Mr. Rapozo, you have the floor.

Mr. Rapozo: Typically, we approve Bills on first reading and obviously with what has been happening recently with the increases in taxes and fees for our residents and the out roar, I think this Bill, which proposes a seventy-five percent (75%) increase on the curbside pickup; that is just off the top. If you get one (1) barrel right now, you pay six dollars (\$6) plus the six dollars (\$6), what I call the “everybody fee.” So your twelve dollar (\$12) monthly fee will jump to twenty-one dollars (\$21), and although that sounds minimal, it is still a seventy-five percent (75%) increase. I am having trouble with this and I will not be supporting this on first reading. I think that until we address the issues that we currently face with the existing tax and fee structure, hopefully with the workshop that you proposed, Mr. Chair, and all of that at that time, and we can revisit this. At this time, I believe a seventy-five percent (75%) increase, in my mind, is simply not acceptable. Thank you.

Chair Furfaro:

Further discussion? Mr. Kagawa.

Mr. Kagawa: Thank you. I, too, will be voting “no” on this Bill for first reading. I already have complaints as it is with the current twenty-four dollars (\$24) a month. It has been in place for a couple of years, the twelve dollars (\$12). If you times that by twenty-four (24), I think we have already bought the cans. The cans are paid for and now the twelve dollars (\$12) are just pure profit to the Solid Waste Division. To go up from twelve dollars (\$12) to twenty-one dollars (\$21) when people are already strapped for money— they say that twenty-four dollars (\$24) a month is high as it is. I cannot support such a big increase; therefore, I will be voting “no.”

Chair Furfaro:

JoAnn, and then Mr. Bynum.

Ms. Yukimura: Mr. Chair, just procedurally, I would like to have a presentation from the Solid Waste Division because I think we are talking about a Bill that the public does not even know how it is going to work or what it is going to do. I understand that we have some order of the day, but I am thinking that I was expecting, in fact, a presentation from Solid Waste, so that everybody would know what this Bill is about, especially before the public hearing.

Chair Furfaro: Let us make it very clear. Typically, the presentation occurs in Committee Meetings. This is first reading, JoAnn. If you want to have a presentation now because we did have one, and I understand that they met individually with the Department Heads, then I would prefer that we defer this back to Committee.

Ms. Yukimura:  
hearing...

Well, Chair, we need to set it for public

Chair Furfaro:

That is why it is first reading.

Ms. Yukimura: Okay. One option would be to refer it to Committee, so that at our next Committee Meeting, we would be able to have a presentation, and then it would come back to the Council to set for a public hearing.

Chair Furfaro: Okay. If you want to state your argument amongst the Councilmembers for the reasons to send it back, then I give you the floor now to do that. If not, we approve it on first reading, and then we have a public hearing on the item.

Ms. Yukimura: There is discussion on a motion to refer it to Committee, so I will not be stopping any discussion because I want everybody to have a chance to speak.

Ms. Yukimura moved to refer Proposed Draft Bill (No. 2551) to the August 20, 2014 Committee Meeting, seconded by Mr. Hooser.

Mr. Rapozo: Mr. Chair, I just have a process question that we may have to ask Peter or someone if, in fact, a Bill that is at the Council can even be referred... I do not believe you can refer a Bill at first reading to Committee. You have to take action on the Bill, whether it is to pass it or kill it. You can defer

the Bill and put a new communication in the Committee to have a discussion on the context of the Bill, but I do not believe that you can refer a Bill...

Chair Furfaro: Your point is well taken. If we want to kill this at first reading, is the question, and then resend it back up for Committee. On that note, I will take a recess before I go any further.

There being no objections, the meeting recessed at 11:32 a.m.

The meeting reconvened at 11:33 a.m., and proceeded as follows:

Chair Furfaro: My original comment was, in fact, if you wanted to defer, we can defer. We can schedule a new item in Committee next week, have this deferred for two (2) weeks. That could work just as well. Did everybody understand what I am saying? Do you want the floor?

Ms. Yukimura: Yes, Mr. Chair. As long as we can have a briefing in Committee before first reading...

Chair Furfaro: That is what I just said.

Ms. Yukimura: If that is okay, that is fine. Or if something shows up that we cannot, I would imagine that on the first reading agenda item, we can be briefed.

Chair Furfaro: If that is what the majority of the Council chooses, then it is done by the body. I am prepared right now to entertain a deferral for two (2) weeks, based on the fact that I am going to put a new posting in Committee next week, so we can have this dialogue.

Ms. Yukimura: Okay. Thank you. I appreciate that, but I know that Councilmember Bynum has his hand up, so before I make a motion to defer, can we just hear what he has to say?

Chair Furfaro: I think that is more than fair and reasonable, but obviously, I have been trying to practice participation as much as possible, so I want to make sure that before I give him the floor, you hear what I say the first time around. We will defer this for two (2) weeks, put a new item in Committee next week, and all we will be doing is deferring this for two (2) weeks. Mr. Bynum, I will recognize you.

Mr. Bynum: This is a Bill for first reading. It is also part of our Integrated Solid Waste Plan, which I voted on in 2008, I think. Any further discussion is fine, but why not move it to public hearing. That is what we normally do. I may agree that the timing is poor for us to entertain this this year, but it is part of the Integrated Solid Waste Plan. It is the Administration's Bill. We can have it in Committee next week and proceed with our normal thing to give the public a chance to have input. Whatever we decide, just regarding these revenue bills, we may all agree that these are premature for this year, but I intend to pass them all through the public hearing to give the community an opportunity to chime in "yay" or "nay." That is our process. If we delay it here, we delay that kind of community input. That is the purpose of scheduling public hearings. Voting for a bill on first reading is not a commitment to the bill, it is just to move the process forward that allows the public to chime in. Thank you.

Chair Furfaro: Let me clarify that one more time again. Members, if there is a motion to defer and that motion is seconded, there will be no further discussion and I will call for the vote. If the vote passes, the item will come back up in two (2) weeks. Knowing that to occur, I will then post a new item for next week's agenda to have it in Committee, so we could have this discussion. The other point here is if you do not want to defer, as Mr. Bynum pointed out, we can pass it as we typically do out of first reading and have a public hearing next time around. Those are your choices as you cast your vote. Mr. Hooser, I still do not have a second on the deferral. I will recognize you.

Mr. Hooser: I want to echo what Councilmember Bynum said. I think this is part of our Solid Waste Plan and the timing is bad. I think if we are all honest with ourselves, it is an Election year and some of us are willing to do businesses as we should and take responsibility moving forward and some of us are not willing to do that. I, as much as anyone, am concerned about the budget and about the Administration's management of the budget and about the unintended consequences of the recent tax issue, but this is a first reading bill, which as Councilmember Bynum said, simply moves the Bill forward to allow the public to participate. As Councilmember Rapozo and Kagawa are willing to raise taxes and fees— fees I should say fees on vacation rentals on first reading as I was, I think that to not follow the same procedure and allow the public the opportunity to weigh in is doing a disservice to the public. Certainly every Councilmember is entitled to their vote and I respect that, but it is really about the public participation. It is about the process. I support Councilmember Yukimura's suggestion, even though we have to vote on it. We cannot dance around and avoid the vote, but I believe that given the highly charged political climate of the day and the history, and recent history of the budget, that it would behoove us to offer additional education to the public by the Solid Waste Division on the purpose of this measure and what it hopes to accomplish and how it is, in fact, designed to move our agenda forward of reducing waste into our landfill, which reduces our costs, and allows us to live a more sustainable and better life here in our island. Thank you, Chair.

Chair Furfaro:

Mr. Kagawa, you have the floor.

Mr. Kagawa: Thank you, Mr. Chair. Solid Waste has a huge budget— fifteen million one hundred thousand dollars (\$15,100,000); about half of the Department of Water's Operating Budget. We have sat here through numerous presentations and saw the bumbling of the Department with their integrated management contract and I think the message was clear from this Council on numerous occasions to tighten up their operations and tighten up their decision making. What we have consistently received is increases to fees, increases to the tipping fees, and increases to monthly carts. If it was just formality, we would not have any voting on first reading, but when something is clearly not in the best interest of the public, I know what the public is going to say about raising their cans from twelve dollars (\$12) to twenty-one dollars (\$21). It is going to be a unanimous "no," so why even move it on? Thank you, Chair.

Chair Furfaro:

Mr. Rapozo, and then Mr. Bynum.

Mr. Rapozo: Thank you. I just want to respond to some of Mr. Hooser's comments about the TVR Bill. I did not say that I supported the Bill. I voted for it to go forward once I understood that we were going to have an update

next week at the Council Meeting. If that was not set, I would have voted “no” on this as well. This is a different issue. We had this discussion and I can remember as if it was yesterday when Councilmember Yukimura herself saying that we are not going continue to subsidize inefficient departments. I, for one, have sat here long enough with concerns about the overtime in Solid Waste. During the budget session when I asked the question about a specific issue in overtime, it was told that the changes were not made. A seventy-five percent (75%) increase is substantial. It is very substantial. Did we see a reduction in the inefficiencies in Solid Waste? I do not believe we have. Until we stop this— this is where the Council... it is so easy to blame the Mayor and the Administration, but it is here. We can say, “No, we are not going to give you the extra money. You work within your means.” Councilmember Kagawa is exactly correct. I do not need a public hearing to know what the public is going to say. I see the public every day. I go to the store, the coffee shop, baseball parks— believe me, a lot of them knew this was coming because it was discussed and we had that briefing here, Mr. Chair. We had the briefing on this table. We had the charts. We have had it at the budget. It is not that the public is not aware. This is not something that just popped up today. This has been discussed for quite a while. We can continue to do that. To suggest that my vote is political, I think, is almost insulting, but it is what it is and you feel what you want. I am saying that there is no rational nexus, in my mind, that ties a seventy-five percent (75%) increase other than inefficiency. Just because we need the money— no, we need to show a return. Where is the County’s contribution to this mess? Where is the reduction in the excessive overtime in this mess? I do not see it. Until then, I am not supporting it. I agree that first reading is for us to have an opportunity to make that call. Again, I do not need the public hearing to know what the community will feel about this. I would challenge any Councilmember to believe that they are going to come up next week or in September at the public hearing and say, “Thank you, Council. I really appreciate that. I am thankful. I want you to vote ‘yes.’” That is not going to happen. Thank you.

Chair Furfaro:

Mr. Bynum.

Mr. Bynum: It is important to get things accurate. I believe the current fee is twelve dollars (\$12) a month, not twenty-four dollars (\$24). My first reading of the Bill— I read it through and it seems that there is also an option in the Bill— somebody nod if I have this wrong, but there is an option where if you use a smaller can, your fee does not change at all. This Bill and this Bill is part of our Integrated Solid Waste Plan that this Council has been extremely critical of them not meeting the timelines. Now they are bringing us this thing that has been planned, that will not necessarily result in any fee increases for people; it could, but they have a choice is my understanding. We really should have accurate information, especially if we are going to talk about not letting the public chime in on this, “yay” or “nay,” and killing it today. We need to continue with business as usual around here and give the public the opportunity to speak to the proposals and honor that the Mayor is bringing this according to a plan. We would be critical if he did not. I already said we may come into the public hearing discussion and say, “Regardless of the plan, the timing is not right.” But today is not the day to shut this down. Thank you.

Chair Furfaro:

JoAnn.

Ms. Yukimura: Councilmembers Kagawa and Rapozo’s comments demonstrate to me so clearly why we need a briefing to get the facts. Yes, people will come up to you in the street and tell you “no way” if they do not

know what is actually being proposed. As Councilmember Bynum has pointed out, it is not just a flat increase at all. I have said that I will not subsidize Solid Waste business as usual because I feel it has been very poor management up to now, but I will support Solid Waste doing the right thing, which is implementing the Integrated Solid Waste Management Plan. This is what "Pay As You Throw" is all about. It is moving us toward recycling and sustainability, increased diversion, and lower landfill costs. If we want sustainability on this island in terms of our trash, we have to move this way. But do not take it for my word—let us hear what the plan is actually proposing, hear what the public thinks about it, and then make our decision as representatives of this island. Let us not go on half knowledge.

Chair Furfaro:

Okay. Mr. Chock.

Mr. Chock: Thank you. I think it is real difficult to sit here and talk about how you feel about it or how you do not without having everyone part of the conversation. Yes, we have heard it before. We have had the individual presentations. Could we use more information? Absolutely. More information is always better. That is how we can make the best decisions. I would support a deferral in order to receive the presentation. I do not want to make any quick decisions on this, even though I have talked about it before. I want to hear every single thing I can in order to make the best decision for our island, so I will move on that.

Chair Furfaro:

Mr. Hooser.

Mr. Hooser: Just briefly, Chair. As we all know, the lawmaking process is a complex one and what a bill starts out at is not necessarily what a bill ends up at. This measure, frankly like most measures, is essentially a vehicle to have a discussion about the concept and about fulfilling what is in the Solid Waste Plan. What is proposed in this Bill is not necessarily what will come out of the Bill as law at the end of the day. It could come out as law at the end of the day where the County pays people to recycle or charges them nothing if they are willing to use a smaller can. We cannot even have that option if we do not have a discussion. I am not going to sit here and say that I know what the public is going to say because there are a lot of smart people out there in the public who hopefully will come forward and share their *mana'o* with us. I do not think we should presuppose that we know what is right. I do not think that we should cutoff the conversation. Essentially voting "no" on first reading is saying, "I do not want to have a conversation." I am not prepared to do that. I think we need a briefing and we need to be refreshed on this. We need to move it forward. Thank you.

Chair Furfaro:

JoAnn.

Ms. Yukimura: Chair, I am ready to make a motion to defer, but I just want to make sure if we asked for public input.

Chair Furfaro:

Yes, I did, twice.

Ms. Yukimura:

Thank you. I am sorry.

Chair Furfaro:

Nobody came forward.

Ms. Yukimura:

Okay, then I want to move to defer.

Chair Furfaro: So you are not going to let me have a chance to speak after I have given everybody a chance to speak? I just work here.

Ms. Yukimura:

Chair, I am sorry.

Chair Furfaro: Thank you. First of all, in defense of Public Works— and I have to tell you, we just did a budget for 2014. This plan was part of that briefing and they are looking at going from a subsidy of seven million nine hundred thousand dollars (\$7,900,000) to a subsidy of seven million six hundred thousand dollars (\$7,600,000). That is an improvement. This Bill gives me an option to use a smaller can to save money. That is what the dialogue was about here. I am very disappointed that we do not realize our procedures. We have constantly approved things on first reading to get to a public hearing, so we can get input before we actually make up our final conclusion on whether we are supporting the bill or not. That is what Mr. Rapozo said. But I am willing to entertain whichever option you folks put on the table, and here they are again: if there is a motion to defer and there is a second, I am going to call for the vote. If the majority of you decide to defer it, I am going to put an item on next week. If the motion to defer does not pass, we will go after first reading to public input, and the public will have a chance to give feedback at that time. We sometimes need to reflect back on what is presented to us about the strategic plan that Public Works has come up with. We have to reflect on that and this was not a big savings in this plan. It was a small amount, but it was a start. I do not know where I am going to end up voting. I respect Mr. Rapozo's comments was that he recognizes that he and Mr. Kagawa could change their vote after a public hearing. So either way we go, I am telling you that we will have public input, even if I have to schedule a workshop next week or Committee item. Do I have a motion to defer?

Ms. Yukimura moved to defer Proposed Draft Bill (No. 2551), seconded by Mr. Chock, and carried by the following vote:

FOR DEFERRAL:	Chock, Hooser, Yukimura, Furfaro	TOTAL – 4*,
AGAINST DEFERRAL:	Bynum, Kagawa, Rapozo	TOTAL – 3,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

*(\*Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kaua'i, Mr. Hooser was noted as silent, but shall be recorded as an affirmative vote for the motion.)*

Chair Furfaro: We have four (4) ayes to defer. We will have an item on the agenda in Committee next week. Is that clear to Public Works? I did not see any acknowledgement from Public Works. Is that clear? Do you understand that you will be on the agenda next week? Okay. Thank you. Let us go to this next item here.

#### BILL FOR SECOND READING:

Bill No. 2547 – A BILL FOR AN ORDINANCE TO AMEND SECTION 2, ORDINANCE NO. 891 AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF KAUAI FOR THE PURPOSE OF FINANCING CERTAIN PUBLIC IMPROVEMENTS AND REFUNDING CERTAIN BONDS OF THE COUNTY; FIXING OR AUTHORIZING THE FIXING OF THE FORM, DENOMINATIONS, AND CERTAIN OTHER DETAILS OF SUCH BONDS

AND PROVIDING FOR THE SALE OF SUCH BONDS TO THE PUBLIC: Mr. Bynum moved for adoption of Bill No. 2547 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Ms. Yukimura.

Chair Furfaro: I just want to point out to you that this bond finance item came out of my Committee last week. It is really a housekeeping item. Is there any public discussion? If not, may I have a roll call vote?

The motion for adoption of Bill No. 2547 on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

FOR ADOPTION:	Bynum, Chock, Hooser, Kagawa, Rapoza, Yukimura, Furfaro	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Chair Furfaro: Now, I would like to call up the County Attorney to read all of our Executive Session items for today.

There being no objections, the rules were suspended.

ALFRED B. CASTILLO, JR., County Attorney: Good morning, Council Chair and Councilmembers. Al Castillo, County Attorney. I will read the items for your consideration.

#### EXECUTIVE SESSION:

ES-746 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4, 92-5(a)(4), and Kaua'i County Charter Section 3.07(e), on behalf of the Council, the Office of the County Attorney requests an Executive Session with the Council to provide the Council with a briefing, discussion and consultation regarding the Quarterly Report on Pending and Denied Claims. This briefing and consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-747 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4, 92-5(a)(4), and Section 3.07(e) of the Kaua'i County Charter, the Office of the County Attorney requests an Executive Session with the Council to provide the Council with a briefing in Syngenta Seeds, Inc., a Delaware corporation, et al. vs. County of Kaua'i, Civil No. CV14-00014 BMK (U.S. District Court), and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-748 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4, 92-5(a)(4), and Section 3.07(e) of the Kaua'i County Charter, the Office of the County Attorney requests an Executive Session with the Council to provide the Council with a briefing in Eric Y. Shibuya vs. County of Kaua'i, et al., Civil No. 13-1-0345 (Fifth Circuit Court), and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.



ES-749 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4, 92-5(a)(4), and Section 3.07(e) of the Kaua'i County Charter, the Office of the County Attorney requests an Executive Session with the Council to provide the Council with a briefing on Special Counsel's continued representation of Henry Barriga and Sherwin Perez in Lynell Tokuda, et al. vs. Chris Calio, et al., Civil No. CV13-00202 DKW-BMK (U.S. District Court), and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-750 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4, 92-5(a)(2), and Sections 3.07(d) and 3.07(e) of the Kaua'i County Charter, the Office of the County Attorney, on behalf of the Council, requests an Executive Session with the Council for discussion and decision on whether to sanction Councilmember Tim Bynum pursuant to Section 3.07.D of the Kaua'i County Charter, and related matters. The purpose of this Executive Session is to consider the discipline of an officer or employee or of charges brought against the officer or employee, where consideration of matters affecting privacy will be involved, provided that if the individual concerned requests an open meeting, an open meeting will be held.

ES-751 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney requests an Executive Session with the Council to provide a briefing regarding EEOC Charge Nos. 486-2013-00066, 486-2013-00345, 486-2013-00047, 486-2013-00343, 486-2013-00005, 486-2013-00342 concerning the County of Kaua'i, Kaua'i Police Department, and to obtain settlement authority, and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

Chair Furfaro: Thank you very much. I should take a motion to see if we are going to go into Executive Session at this time, and then see if there is any public testimony.

The meeting was called back to order, and proceeded as follows:

Mr. Chock moved to convene in Executive Session for ES-746, ES-747, ES-748, ES-749, ES-750, and ES-751, seconded by Mr. Rapozo.

Chair Furfaro: Is there any public testimony on this item? If not, I will call us back to order. Go right ahead, Glenn.

There being no objections, the rules were suspended to take public testimony.

Mr. Mickens: For the record, Glenn Mickens. I have just one comment. Before we keep spending hundreds of thousands or millions of dollars on these outside legal counsels, I would hope that someplace along the line that our Prosecuting Attorney would maybe find a way to settle some of these cases and go after them. I know I have heard it before that it is going to cost more in the long run and we are just bailing out. To me, that is just a copout. Let us see if we can stop this. The taxpayers are paying millions of dollars on these outside legal counsels. There is another hundred thirty thousand dollars (\$130,000) on the agenda today, plus these other legal counsel things. I am just asking that

someplace along the line— you guys control the purse strings of their budget etcetera, so to put the pressure on them and say, “Hey, let us try to settle some of these cases and we could win.” If we win, that is just money in our pocket. Thank you.

Chair Furfaro: Glenn, hold on a second. Mr. Bynum has a question for you.

Mr. Bynum: I wanted to clarify a couple of things. The Prosecutor’s Office is not involved in this. This is the County Attorney’s Office. The County Attorney does not settle; the Council settles. They only advise us. We cannot instruct him to go— we might in an instance, but those are the questions he brings to us. The Council makes the decisions about settlements, not the County Attorney.

Mr. Mickens: Tim, where ever the bucks stop is, I am just asking you to please go after it. If it is your *kuleana*, then you go after it.

Mr. Bynum: Understood.

Mr. Mickens: If it is the County Attorney’s *kuleana*, then let him go after it. I am just asking for the public’s sake to take a look at it.

Mr. Bynum: That is what we try to do. The buck does stop right here at this body.

Mr. Mickens: Okay.

Chair Furfaro: Thank you. I am going to call the meeting back to order. I would like to have a roll call vote to go back in Executive Session.

There being no objections, the meeting was called back to order, and proceeded as follows:

The motion to convene in Executive Session for ES-746, ES-747, ES-748, ES-749, ES-750, and ES-751 was then put, and carried by the following vote:

FOR EXECUTIVE SESSION:	Bynum, Chock, Hooser, Kagawa, Rapoza, Yukimura, Furfaro	TOTAL – 7*,
AGAINST EXECUTIVE SESSION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

(\*Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kaua‘i, Mr. Bynum and Mr. Hooser were noted as silent, but shall be recorded as an affirmative vote for the motion.)

Chair Furfaro: Thank you. I want to make note that we do have a public hearing today at 1:30 p.m. Am I correct?

Mr. Sato: Correct.

Chair Furfaro: Okay. We are going to go into Executive Session for the public's notice until lunchtime, come back out for public hearing, and then we will probably go back in for Executive Session after the public hearing. We are going into Executive Session.

There being no objections, the meeting was recessed at 12:01 p.m.

The meeting reconvened at 4:25 p.m., and proceeded as follows:

*(Mr. Bynum is noted as excused.)*

Chair Furfaro: We are back from our Executive Session. I would like to ask the Madame Clerk if she could carry us through the remaining agenda items.

There being no objections, C 2014-225, C 2014-226, and C 2014-227 were taken out of the order.

#### COMMUNICATIONS:

C 2014-225 Communication (07/25/2014) from the County Attorney, requesting authorization to expend additional funds up to \$50,000 for Special Counsel's continued services provided in Syngenta Seeds, Inc., a Delaware corporation, et al. vs. County of Kaua'i, Civil No. CV14-00014 BMK (U.S. District Court), and related matters: Ms. Yukimura moved to approve C 2014-225, seconded by Mr. Rapozo, and carried by the following vote:

FOR APPROVAL:	Chock, Hooser, Kagawa, Rapozo, Yukimura, Furfaro	TOTAL – 6,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Bynum	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

C 2014-226 Communication (07/25/2014) from the County Attorney, requesting authorization to expend additional funds up to \$50,000 for Special Counsel's continued services provided in Eric Y. Shibuya vs. County of Kaua'i, et al., Civil No. 13-1-0345 (Fifth Circuit Court), and related matters: Ms. Yukimura moved to approve C 2014-226, seconded by Mr. Rapozo, and carried by the following vote:

FOR APPROVAL:	Chock, Hooser, Kagawa, Rapozo, Yukimura, Furfaro	TOTAL – 6,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Bynum	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

C 2014-227 Communication (07/25/2014) from the County Attorney, requesting authorization to expend additional funds up to \$30,000 for Special Counsel's continued services to represent Henry Barriga and Sherwin Perez in Lynell Tokuda, et al. vs. Chris Calio, et al., Civil No. CV13-00202 DKW-BMK (U.S. District Court), and related matters: Ms. Yukimura moved to approve C 2014-227, seconded by Mr. Rapozo, and carried by the following vote:

FOR APPROVAL:	Chock, Hooser, Kagawa, Rapozo, Yukimura, Furfaro	TOTAL – 6,
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AGAINST APPROVAL: None  
EXCUSED & NOT VOTING: Bynum  
RECUSED & NOT VOTING: None

TOTAL – 0,  
TOTAL – 1,  
TOTAL – 0.

Chair Furfaro: Before we end the day, I would like to have a moment of personal privilege. I want to speak on behalf of the whole Council when I share with the great staff we have in the County and their preparedness and response during the recent storm and Friday and Saturday work that was necessary to respond with good, constant communication, which went out to our citizens and all of those public workers that stood by so diligently. Although we did not see the brunt of the storm, my congratulations on behalf of the Council to a fine team of employees that kept our community safe. Thank you very much.

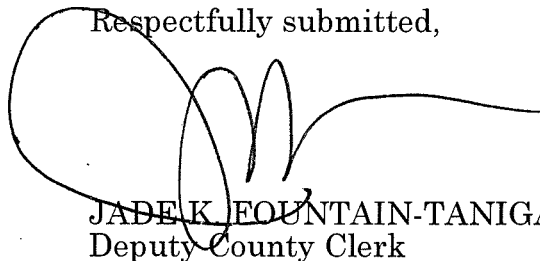
Ms. Yukimura: Chair, thank you for that recognition. I wanted to reinforce your praise to the Administration, Civil Defense, and all of the staff and volunteers, but also to recognize that our staff was also handling Elections while also doing preparations for the hurricane. They did a very, very good job. My thanks to Lyndon, our Clerk and Deputy, and all of the staff because they had double the work with taking care of the Elections, as well as hurricane preparation.

Chair Furfaro: Again, I just want to say that I was referencing all of our employees during that period. Kaua'i should be congratulated with a forty-seven point nine percent (47.9%) voter turnout across all segments of our island. On that note, *mahalo* to everyone. Even on our toughest days, Kaua'i is a great place to be. We have completed our business for the day.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 4:30 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jade K. Fountain-Tanigawa', written over the printed name.

JADE K. FOUNTAIN-TANIGAWA  
Deputy County Clerk

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